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NEWS SUMMARY

GENERAL BUSINESS

Labour proposes planning ministry

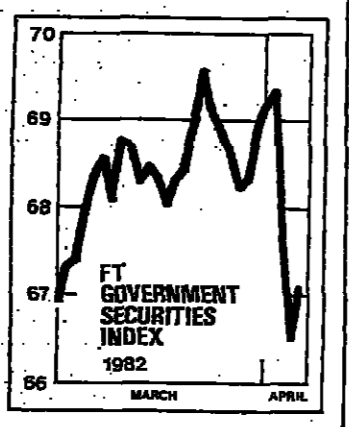
The Labour Party and the TUC have reached agreement on a Department to take over most functions of the present Departments of Industry and Trade and much of the Treasury's responsibilities.

The proposed Department of Planning would be the main feature of Labour's economic programme for the next election.

A meeting of the TUC-Labour Party liaison sub-committee on planning and industrial democracy approved in principle the key measures proposed in a draft report to be issued later this year. Back Page

Gilts add 0.58; equities rise 8.3

GILTS rallied, the Government Securities Index gaining 0.58 to 67.11. Page 22



U.S. oil fee plan

Support is gathering in Washington for a plan to impose an oil import fee of \$5 a barrel to help reduce U.S. budget deficits. Page 3

N-freeze call

Doctors from 31 countries including the U.S., Soviet Union and UK called for a freeze on production, testing and deployment of nuclear weapons. Page 3

Ugandan arrests

Ugandan troops arrested about 10,000 people in Kampala in the biggest ever operation against anti-government guerrillas.

Mandela moved

African National Congress leader Nelson Mandela and three others were moved from South Africa's top security prison on Robben Island to Pollsmoor Prison, Cape Town.

Zimbabwe killing

Two men were killed in a grenade attack in eastern Zimbabwe. Police blamed rebels from Mozambique who are thought to be backed by South Africa.

Passengers fall

London Transport passengers have fallen by about 1m to 5m a day since bus and tube fares were doubled last month.

Tax fraud fear

Three Appeal Court judges urged an investigation into whether there was a criminal conspiracy to defraud the Inland Revenue of tax due on the estate of Sir Charles Clore. Page 6

Thatcher setback

The Prime Minister's son Mark Thatcher will not race in two British Formula One championship meetings this weekend as he has no sponsor.

Up in smoke

Miss Cheryl Calvert-Jones left £2,500 in her will to the cancer research campaign—and £20 to buy cigarettes for patients at Mendip Hospital where she was once a patient.

Briefly...

Alleged Red Brigades killers of Aldo Moro go on trial in Rome next week.

Typesetters' strike stopped all Rome newspapers except Il Globo.

Twelve South Yemenis were sentenced to death in Aden for sabotage.

Soviet troops intruded three miles into Iran, killing up to 50 Afghan rebels.

Publisher's Notice

The Financial Times will not be published tomorrow, Good Friday, April 9 and Easter Monday, April 12. It will be published on Saturday, April 10 as usual.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

Exch. 111pc 1986	2931 + 3	NatWest Bank	420 + 8
Exch. 131pc 1994	194 + 11	Northern Foods	160 + 8
Assoc. Book Pubs.	390 + 37	Pilkington	257 + 14
BAT Inds.	415 + 13	Reed (Austin) 'A'	81 + 8
Barratt Devs.	268 + 6	Reed (Austin) 'B'	81 + 8
Bass	224 + 7	Stewart MacKintosh	178 + 10
Blue Circle	456 + 12	Stewart MacKintosh	220 + 20
Bronx Eng.	31 + 3	Unilever	615 + 16
Burton	178 + 6	BP	288 + 6
Chubb	118 + 8	Shell Transport	394 + 10
Coppydex	48 + 6	Joburg Cons.	427 + 1
Glaxo	570 + 12	FALLS:	
Huntleigh	114 + 12	Phoenix Assurance	234 + 8
Huntley & Palmer	97 + 5	Sotheby P. R.	315 + 40
ICI	320 + 4	Sun Alliance	815 + 11
ICI Securities	288 + 6	Anglo. Am. Inv. Tr.	1258 + 1
Lee Refrigeration	230 + 20	Hartbeest	222 + 1
Lloyds Bank	432 + 14	Randfontein Ests.	224 + 1

U.S. INITIATIVE ON FALKLAND ISLANDS CRISIS

Haig in peace mission

BY REGINALD DALE IN WASHINGTON AND JOHN WYLES IN BRUSSELS

President Ronald Reagan stepped up U.S. diplomatic attempts to end the Falklands crisis by despatching Mr Alexander Haig, the U.S. Secretary of State, to London and Buenos Aires in the quest for a peaceful solution.

Mr Haig's mission coincided with signs of a distinctly more conciliatory attitude by the Argentines. Sr Eduardo Roca, Argentina's UN Ambassador, said on television yesterday that his country might consider a withdrawal of



HAIG: talks at No 10

failed to win the immediate support of its EEC partners. Several of the member countries—West Germany, France, Belgium and the Netherlands—have confined a ban on arms shipment but must have asked for more time to study the problems in closing their doors to imports worth up to \$1.5bn (£850m) a year.

Mr Haig was due to fly to London overnight for talks with Mr Francis Pym, the new British Foreign Secretary today and he then planned to go to Argentina.

The White House stressed that Mr Haig's mission did not involve "mediation"—a word that Britain does not like but was merely the preliminary stage of a U.S. effort to resolve the crisis. It said that both the British and Argentine governments had invited Mr Haig to their capitals.

Mr Francis Pym "warmly welcomed the visit of a friend and ally" for consultation in implementing the Security Council resolution and the withdrawal of Argentine troops from the Falkland Islands.

Mr Haig is expected to have talks with Mrs Thatcher and her senior advisers before and after lunch at 10 Downing Street today. The Secretary of State is expected to fly to Buenos Aires this evening.

Britain is maintaining its stance that no negotiations

with the Argentine regime can take place before the invading forces are pulled out of the Falkland Islands. Diplomats refuse to speculate about any possible compromise with the military junta while Argentine occupation continues.

Mr Reagan, who on Monday offered to act as an "honest broker" in the dispute, took the decision to send Mr Haig to both capitals at a meeting yesterday morning with his security advisers, before leaving for a five-day working holiday in the Caribbean.

The intensified U.S. activity

followed talks between Mr Haig and the British and Argentine ambassadors and the Argentine Foreign Minister on Tuesday.

In what appeared to be the first sign of possible progress in the crisis, Sr Nicenor Costa Mendez, Argentine Foreign Minister, said after the talks that he had "great hopes of negotiations on the dispute with the UK. He was confident that "an honourable and just peace" could be negotiated.

David Marsh writes: Sterling steadied on European foreign exchange markets yesterday in reaction to growing diplomatic moves to find a peaceful solution to the crisis.

The pound closed in London at \$1.7820, up 1.25 cents, recovering two thirds of its fall on Tuesday.

It also gained against Continental currencies, and its trade weighted index calculated by the Bank of England rose to 90.0 from 89.4 on Tuesday.

The pound's recovery was reflected in an easing of interest rate pressures on the London money market. The three month interbank rate dropped to 13 1/2 per cent from 13 3/4 per cent.

The London stockmarket also rallied after showing falls over the last two days. The FT Industrial ordinary index, reflecting the share price movement of 30 blue chip companies, rose 8.3 points in yesterday's trading to 561.3.

Pym wins breathing space

BY PETER RIDDELL, POLITICAL EDITOR

MR FRANCIS PYM, the new Foreign Secretary, yesterday won critical political breathing space to pursue a diplomatic settlement of the Falkland Islands crisis in the fortnight before the naval task force reaches the south Atlantic.

Opening yesterday's emergency Commons debate, Mr Pym specifically left open all his negotiating options. His emphasis throughout was on diplomacy, and on the pressures of world opinion, especially the need for other countries to take action against Argentine imports and to encourage their banks to make no new loans to the Argentine.

He said: "There will be time before the task force reaches the area to do everything possible to solve the problem without further fighting. We would much prefer a peaceful settlement. But if all efforts fail, the Argentine regime will know what to expect: Britain does not appease dictators."

Mr Pym's speech, which was well received by Tory backbenchers, gave no clues as to the type of settlement the Government favours.

Retiterating the Prime Minister's words of last Saturday, he said the intention was "to see that the Falkland Islands are freed from occupation and returned to British administration at the earliest possible moment."

The use of the words "administration" puzzled many MPs and led Mr James Callaghan, the former Prime Minister, to question whether this was being equated with the reassertion of British sovereignty. He was worried about whether the use of "administration" might lead to a ceding of sovereignty via a lease back deal which has already been rejected by the islanders.

Mr Pym's initial response was ambiguous—and worried some Tory MPs. He said that after only two days in office he was not competent to make a precise distinction of any difference. Mrs Thatcher, however, intervened to say that despite the Argentinian invasion she still regarded the islands as sovereign British territory and that the wishes of the islanders must be "paramount."

At the same time he announced his decision to step down as chairman in a major boardroom reshuffle. He has been chairman for just more than two years.

Mr Gordon Brunton, chief executive of International Thomson, is to become non-executive chairman of Sotheby Parkes Bonnet Group, Sotheby's parent company, in Lord Westmorland's place. Mr Brunton has been a director of Sotheby's for four years.

Mr Jesse Wolf, the company's U.S. legal adviser, and a former director, will return to the board as non-executive deputy chairman.

Five members of the present board are to stand down although only one, Mr W. French, is resigning from the

support is heavily conditional upon a successful outcome. The future of Mrs Thatcher also depends on this.

The debate yesterday was marked by remarkable cross-party currents with Mr John Peyton the MP for Yeovil, warning of the dangers of a naval expedition and being criticised for being somewhat defeatist by Mr Callaghan.

Mr Callaghan, in his most effective form, challenged the ability of Mrs Thatcher to control operations and said she should call on a senior Conservative Privy Counsellor and a high powered inner Cabinet to co-ordinate the operations.

Mr Callaghan also criticised the Government for having imposed upon itself a deadline of a fortnight for negotiations.

Sotheby's likely to show a loss

BY JEREMY STONE

SOOTHEY'S, the international fine-art auction-house, is likely to show a loss for the year to August after a pre-tax profit of £7m last year. This pessimistic view of current trading was disclosed yesterday by Lord Westmorland.

At the same time he announced his decision to step down as chairman in a major boardroom reshuffle. He has been chairman for just more than two years.

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Mr Jesse Wolf, the company's U.S. legal adviser, and a former director, will return to the board as non-executive deputy chairman.

Five members of the present board are to stand down although only one, Mr W. French, is resigning from the

group "owing to pressure of other business commitments."

The other changes are evidence of a management restructuring which began when Mr Graham Llewellyn was appointed chief executive at the end of last year.

Like Lord Westmorland, who is to collaborate with his predecessor Mr Peter Wilson in generating business around the world, the four directors who are leaving the board are giving up some managerial responsibilities to concentrate on their work as specialists.

Mr Peregryn Peden and Mr Marcus Linell will continue to work in Bond Street; Mr David Nash and Mr Robert Woolley will remain in New York.

Managerial responsibilities are to be concentrated in the hands of Mr Julian Thompson and Mr Andrew Alers-Hankey, who will be chairman and managing director, respectively, of Sotheby Parkes Bonnet. Lord Westmorland will remain a member of the main Board. Mr Wilson is to be group honorary

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Union leaders urged to quit state bodies

BY JOHN LLOYD AND ALAN PIKE

TRADE UNION leaders are coming under increasing pressure from their members to pull out of tripartite bodies unless they can quickly demonstrate that they are exerting some influence on the Government's economic and employment policies.

TUC general council members will face demands to withdraw from the Manpower Services Commission and the National Economic Development Council at their annual congress in September.

However, the issue of whether the TUC should remain on the commission is likely to come to a head much sooner than September because of the Government's attempts to introduce new training arrangements for young people.

Members of a Manpower Services Commission task group were last night meeting in a final attempt to devise a radical new approach to training for school leavers acceptable to both sides of industry.

But even if, as appeared possible last night, the task group makes unanimous recommendations to Mr Norman Tebbit, the Employment Secretary, it is far from certain that he will accept them.

Rejection by Mr Tebbit of the commission's proposals for developing his Youth Training Scheme for unemployed teenagers into a programme for all 16-year-old school leavers—whether they have jobs or not—would quickly intensify pressure within the TUC for it to withdraw from the commission. TUC withdrawal would make it very difficult for the Govern-

ment to run its own version of the Youth Training Scheme for the young unemployed in an effective way. But Mr Tebbit will have to weigh this against the fact that some of the TUC's conditions for participating will not easily be accepted by ministers.

The task group has already agreed that the allowances paid to young people on the scheme should be at least £25 per week—compared with the Government's initial view that they should be about £15.

At last night's meeting TUC representatives on the task group were pressing for a still higher allowance. One way in which they suggest an extra £4 per week could be raised would be to divert funds from the Young Workers' Scheme, under which employers receive subsidies if they pay young people less than £40 per week—something which Mr Tebbit is certain to reject.

TUC representatives on the task group were last night also sticking out on two other issues—the right of trade unions to negotiate trainees' terms and conditions, and a rejection of the Government's view that unemployed young people who do not choose to participate in the Young Workers' Scheme should be prevented from drawing supplementary benefit.

The TUC's future participation in the NECD is less immediately in question, but strong calls for an end to that participation were heard last night.

Continued on Back Page

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Med forecasts productivity fall, Back Page

Employee buy-out plan at Redpath Dorman Long

BY MAURICE SAMUELSON

AN EMPLOYEE buy-out of Redpath Dorman Long has been proposed by opponents of the sale of this British Steel Corporation heavy engineering subsidiary to Trafalgar House.

The Steel Industry Management Association, one of the nine unions represented at the company has sought auditors' advice on the possibility of a buy-out similar to the recent sale of the state-owned National Freight Corporation.

Other unions are also understood to be interested in the proposal.

Last week the corporation said it had agreed to sell its 100 per cent share in the Bedford-based subsidiary to Trafalgar for £10m.

As part of the deal, Trafalgar intended to make 600-700 of the company's 3,200 employees redundant in the first year, just over half of them manual workers.

Besides expressing concern over the redundancy plans, the unions say the selling price is "derisory." They also claim that a merger with Trafalgar, which already owns Cleveland Bridge Engineering, would almost eliminate competition in the UK's heavy engineering industry.

Trafalgar interests also cover property, heavy shipping, hotels, newspapers and construction.

Similar concerns are strongly expressed by Mr R. Gavin Orr, Continued on Back Page

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EUROPEAN NEWS

James Buchan in Bonn looks at an ill-starred attempt to arrange a marriage of technological convenience

Bleak omens for Franco-German tank project

TANKS ARE like wives, few men want to share them. Since World War Two, there have been three West German attempts to develop jointly what armies like to call a "main battle tank."

The first effort, with France in the late 1950s, ended in failure and the so-called MBT-70, an extremely ambitious U.S.-German attempt to develop a new concept for the 1970s, fared little better.

Bonn has now returned to its first love in France but the omens for this latest project, a joint tank to match the Soviet T-72s and T-80s in the 1990s, look equally bleak, despite the fierce advocacy of Chancellor Helmut Schmidt, who launched the idea at meetings with President Giscard d'Estaing soon after the Soviet invasion of Afghanistan.

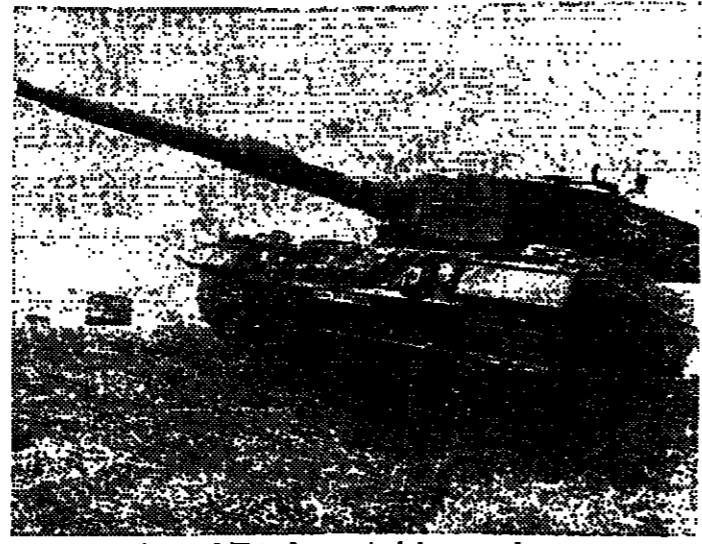
But while the emphasis then was on European defence co-operation in the face of Soviet adventuring, Herr Schmidt has now come to regard the project in terms of France's record trade deficit with West Germany—nearly DM 12bn (£2.7bn) in 1981. He is also aware that few other schemes lend themselves to co-operation on this scale.

Although France and West Germany worked on a number of joint military projects in the 1970s, including the Alpha Jet and various missile systems, none of these compare in importance with a new front-line tank.

majority of parliamentarians but also from within the defence establishment. The support of Herr Hans Apel, the Defence Minister, seems to be based more on loyalty than conviction. Paris is pressing hard for a decision from Bonn whether to go ahead with a "definition phase" for the project. A deadline of March 31 has been grudgingly extended until May to allow the Chancellor time to rally support for his view of the overriding political value of the tank.

None the less, there is a strong possibility that there will be no Franco-German Chancellor's tank in the 1990s but remodified and individual versions of the German Leopard and French AMX-30, ironically the descendants of the very prototypes that French and German officers failed to combine into a joint tank project in 1958.

At that time, military thinking leaned towards speed rather than armour as the best protection, and both countries started off agreeing on a light tank of around 30 tons. The next few years, however, saw a marked change in German attitudes to the relative value of mobility and the Leopard-1, when it finally entered series production in 1965, weighed well over 40 tons, against 36 tons for the AMX-30. The requirements for the MBT-70, written in 1963, envisaged a tankweight of 53 tons. Despite a heavy commitment of time and money on the German side, and despite good performance by the German prototypes at tests in the U.S. in the 1970s, the U.S. military and defence



Leopard II tank on a training exercise

industry balked at the idea of using German technology. After much dithering, each side went ahead with its own version, the Leopard 2 in Germany, and the M-1 in the U.S. Even so, German industry and, particularly, Krauss-Maffei in Munich and Krupp Mak in Kiel, received a considerable filip from the project and the 54-ton Leopard 2, which entered service with the Bundeswehr in 1979, incorporated several revolutionary features. Foremost were the new and largest 120mm smooth-bore cannon, developed by Rheinmetall of Dusseldorf and capable of firing stabilised ammunition, and a stabilised gun control system that permitted the tank to fire on the move. Other advances included a sophisticated transmission, a welded turret and

laminated armour. In other key respects, the Leopard 2 was well in advance of its ageing French counterpart. A crucial measure of tank efficiency, the ratio of power to weight, showed 27.7 horsepower per ton for the Leopard 2 and only 19.5 HP/T for the AMX-30. The French tank has been considerably up-dated and the AMX-30 E2, announced in 1977 and just now being delivered to the French army by Atelier de Construction Rouanne, incorporates an improved fire-control system and the means to fire fin-stabilised ammunition. The French claim that the new tanks, and the "retrofitting" of the AMX-30 to the standards of its successor, will be the equal of anything in service until the end of the 1980s.

There is strong suspicion in the West German arms industry and in the Bonn defence staff, however, that a co-operative project for the 1990s would deliver up to the French that German technical excellence which goes back to the wartime Panther and Tiger tanks but received a particular boost through the development of the MBT-70 and the Leopard 2.

This can only be confirmed by plans for the new tank so far revealed by Herr Apel. The basis for the project will be the Leopard's chassis, fire-control system and Rheinmetall gun. Most significantly, the blueprints expect to incorporate West German advances in automatic loading systems. By eliminating the need for a third man as loader in the turret, this will permit the first major reduction in tank size (and vulnerability) for almost 50 years.

Opponents of the joint tank, particularly in the powerful Defence Committee of the Bundestag, have selected three other areas for attack. The most important is the higher cost of a joint project, as compared with a development of the Leopard 2 in Germany. This is particularly difficult ground for Herr Apel because of his embarrassment at the huge cost overruns of the Tornado multi-role combat aircraft, a joint development with Britain and Italy.

Second, there is a gap of five years in the requirement of the two countries for a new tank. While it is accepted in Bonn

that the Leopard 2 can soldier on, with some modifications, until the mid-1990s, the French are urgently seeking to replace the AMX-30 series from 1989 onwards.

Third, there are sharp differences in the two countries' attitudes to exports of weapons. While the Bonn Government is now battling efforts by both coalition parties further to restrict exports outside the Nato area, the French suffer no such inhibitions. France actually developed a special version of the AMX-30 series called the AMX-32 for export—so far with little success. There are fears that France would not only crowd Germany out in supplying a new joint tank to the Nato countries, that bought the Leopard 2 but also defence such countries as Saudi Arabia which Bonn has found itself unable to provide with the Leopard.

Herr Apel is now badgering the Defence Committee and his own Social Democratic Party to accept at least the "three-year" definition phase for the project, which would cost the Federal budget only DM 156m and would not commit either side to proceed with the tank.

Parliamentarians are wary however, about the possibility that by 1985 the project will have gone so far ahead that it will be impossible to cancel, and the Christian Democrat head of the Defence Committee, Herr Werner Marx, said in January that he could find no majority in the Bundestag in favour of the project. Despite Herr Schmidt's efforts, this appears to be unchanged.

Brussels proposes ceiling on imports of cereals from U.S.

BY JOHN WYLES IN BRUSSELS

THE European Commission yesterday infuriated the Reagan Administration by proposing to the Community's member states that a ceiling should be set on U.S. sales to the EEC of the cereals substitute, corn gluten feed, worth \$500m (£277m) a year.

U.S. officials in Brussels were predicting a hostile reaction from Washington to a move which is seen as escalating the conflict with the Ten over agricultural trade issues.

In essence, the Commission has decided to seek approval from member governments to resort to Article 28 of the General Agreement on Tariffs and Trade (GATT) to impose quotas on corn gluten imports which have free access to the Community. Widely used as an animal feed, corn gluten is a by-product of glucose and corn starch manufacturing.

At the same time, the Commission also sent yesterday a communication to the Japanese Government which marks the first stage in its attempt to use Article 23 of the GATT to force Tokyo to ease its domestic quota on more manufactured imports.

In both the U.S. and Japanese cases, the Commission argues that it is legitimately using the GATT to protect and pursue Com-

munity interests within the international free trading system.

Commission officials denied yesterday that the move against U.S. corn gluten imports is in retaliation for Washington's current attempts to use the GATT to outlaw the EEC's system of subsidising farm exports.

Rather, they argue, an attempt to freeze cereals substitutes imports from the U.S. at 1981 levels of 3m tonnes is a vital component of its strategy for containing the overproduction of cereals in the Community and the alignment of domestic EEC prices with U.S. support prices which are 30-40 per cent lower.

In reality, however, the Commission's move appears to be a concession aimed at persuading the French Government to accept the basic elements of its strategy during the current farm price negotiations, a 3 per cent rise in cereals guarantee prices and a production quota for 1982-83 which, if exceeded, would trigger a price reduction in the next farm year.

The Commission claims that the EEC's current cereals strategy is caused largely by the growth of corn gluten imports from 0.7m tonnes in 1974 to nearly 3m tonnes last year, of which 95 per cent came from the U.S.

New technology prompts Rome newspaper strike

BY JAMES SUTTON IN ROME

THE BIRTH in Italy this week of a national newspaper, Il Globo, has prompted strikes at all other Rome newspapers in protest at the new technology that the newspaper has installed.

The newspaper, which revives a title that became defunct in 1974, is intended to be mainly economic in content. It has a direct-input system, by which journalists can compose their articles on video screens and the articles can be set by a computer without the intervention of a printer.

The system is not yet in operation, as journalists are still being trained to use it.

Despite Il Globo's contention that its existence is creating new printing jobs, the Rome printers see it as a serious threat. The ironic result of yesterday's strike was that the only Rome-produced newspaper to come out was Il Globo, though it too was reduced in size by the strike.

Il Globo is owned by a consortium of industrialists, of which the biggest shareholder is Sig Calisto Tanzi, owner of the Parmalat milk concern. Its editor, Sig Michele Tito, formerly editor of the successful

Genoa newspaper Il Secolo, is of the centre-left.

Although the front page of the newspaper for its first two editions has been dominated by national political news, more than one third of its pages are devoted to the economy. This means it is challenging the increasingly successful Milan-based financial newspaper Il Sole-24 Ore, which is owned by Confindustria, the employers' association, and whose format and colour resemble those of the financial Times. Il Globo is a tabloid.

According to Sig Tito, the newspaper intends to have wider horizons than Il Sole, with more foreign coverage. The last new national newspaper in Italy was La Repubblica, which appeared in 1976—Apart from Corriere della Sera, based in Milan, and La Stampa, from Turin, the rest of the Press is essentially local.

Il Globo does not arrive at a happy time for the Italian Press. Daily newspapers lost L386bn (£165m) in 1980, although financial help is on the way with the passing last year of a law which will give newspapers state financial assistance.

Threat to delicate truce between Polish students and authorities

BY CHRISTOPHER BOBINSKI IN WARSAW

A BREAKDOWN in the delicate truce between Poland's students and the martial law authorities looked probable yesterday following the resignation of Mr Henryk Samsonowicz, Rector of Warsaw University.

The move, which comes as the students take their Easter break, shows that the position of those in the party leadership arguing for conciliatory policies is being eroded.

These include Mr Hieronim Kubiak, the Politburo member in charge of education and culture, and Mr Mieczyslaw Rakowski, a deputy Premier,

who is known to have opposed the recent disbanding of the Polish Journalists' Association. Journalists were due yesterday to meet Mr Jerry Urban, the Government Press spokesman, to protest against the disbanding, but he is expected to tell them that the decision is final.

Mr Samsonowicz was elected head of Warsaw University under democratic procedures last year.

He was permitted to remain at his post once the university reopened after the martial law clampdown and this is one

reason why its students have not so far indulged in any open protests.

Since the imposition of martial law, Mr Samsonowicz has been expelled from the Communist Party and the leadership of the party cell at the university dissolved.

Nevertheless spokesmen for the enlightened wing of General Jaruzelski's administration have claimed that the fact that Mr Samsonowicz was still at his post was proof of the moderate course of the authorities.

This claim has been shattered with Mr Samsonowicz's resignation.

the resignation of his three deputies, who were also democratically elected and the appointment by the Government of Professor Kazimierz Dobrowolski, a 51-year-old biologist in his place.

Relatively few heads of universities have been forced to resign since the clampdown, but the chances are that those democratically elected last year will be forced to go either before or during the summer.

Mr Kubiak has claimed in private meetings with leading intellectuals that he opposes hardline policies, but at the

weekend he came in for criticism at a party ideological conference, and the move at Warsaw University could be a direct result of that.

Meanwhile, at yesterday's meeting between Mr Urban and representatives of journalists who wrote to General Jaruzelski was expected to produce advice by the government to join the new orthodox journalists' association.

The journalists include Mr Richard Kapuscinski, a well-known reporter and Mr Zygmunt Szajna, deputy editor of Polityka, the weekly which is still edited by Mr Rakowski.

About 1,200 journalists have lost their jobs in purges of the media.

In contrast to these repressive developments, Mr Jerzy Kuberski, the government's Religious Affairs Minister, went out of his way to give the impression that relations between Church and State are good, when he gave a Press conference.

Meetings between the two sides are producing little progress, especially on the Church's demands that the authorities revive Solidarity.

Prague pledges help for Warsaw

BY DAVID SUCHAN

CZECHOSLOVAKIA will help Poland to keep its factories turning over by increasing raw materials supplies and by taking finished products in return, according to an agreement reached at the end of the two-day visit by General Jaruzelski, the Polish leader, to Prague this week.

The visit was the third foreign trip by General Jaruzelski in the last five weeks. His travels to the Soviet Union, East Germany and Czechoslovakia have been designed to show that Poland is once more safely back in the East European political fold, and to persuade Comecon partners to make use of Polish industrial capacity.

A statement carried by the official Ceteke news agency in Prague said the Polish-Czech industrial co-operation would be in the areas of engineering, electrical engineering, metalurgy and chemicals, but it gave no details of when

Czechoslovakia might start increasing material supplies. So far, only the Soviet Union has delivered on its promises of increased help.

Czechoslovakia, like others of Poland's Comecon partners, has had to accept reduced deliveries of primary goods from Poland. Under an accord in January, bilateral Polish-Czech trade in 1982 will total \$780m (£433m) but with much lower Polish coal exports than laid out in the current five-year agreement. Poland is reserving much of its coal production, substantially increased so far this year, for possible sale to the West in order to repay its enormous hard currency debt.

Poland has been forced to turn to Comecon partners for help on many projects which had been developed with Western help but which are now hard-hit by Western governments' freeze on export credit to Poland.

One example is the big Ursus tractor factory outside Warsaw,

where continued involvement of Massey-Ferguson-Perkins, the UK company, has been made difficult by the UK Government's suspension of credit to Poland.

The Czechs, heavily involved in earlier Ursus development, have been asked for help again.

Polish officials have drawn up a list of some 50 industrial projects in which they believe that Comecon partners can help. If these come to fruition, Poland will find itself trading substantially more with fellow Socialist countries. Last year, it sent 87 per cent of its exports to Comecon and drew 61.9 per cent of imports from Comecon.

But not all Comecon partners are ready to help. Polish officials in London say that so far the Soviet Union, East Germany, Czechoslovakia and Bulgaria have shown interest in special co-operation deals, but Romania, the political maverick in Comecon, and Hungary, increasingly orientated towards western trade, have not.

OECD backs Ankara strategy

BY DAVID TONGE

TURKEY'S economic stabilisation programme has been "remarkably successful" but further structural changes are urgently needed, according to a report by the Paris-based Organisation for Economic Co-operation and Development, published today.

The report notes that inflation has been brought down from around 100 per cent in 1980 to a current rate of less than 40 per cent.

It quotes Turkish forecasts that, this year, the economy will

repeat last year's growth of 4.4 per cent. But it also warns that the rate of inflation and deficit on the current account of the balance of payments require the continuation of present austerity policies.

Looking ahead, the report predicts that Turkey's medium-term growth is likely to range between 4 and 5.5 per cent. It forecasts that Turkey's need for foreign credits could fall, but it says that growth is likely to be too low to cut back unemployment from its present high levels.

Past forecasts have ranged

around 15 per cent of the labour force; the OECD quotes figures putting the rate at 11 per cent. It emphasises the need to help the small and medium enterprises most hit by the country's recent recession and to avoid wasting its relatively few high school graduates so badly needed by the economy.

The report calls on Turkey urgently to introduce development policies to take advantage of its agricultural potential. It insists on the need for a realistic national energy plan, with a strong emphasis on energy conservation.

West German minister resigns

BY OUR BONN STAFF

FRAU ANTJE HUBER, Minister for Family Affairs in the West German coalition Government, resigned from her post yesterday in the wake of persistent speculation that Chancellor Helmut Schmidt plans a major shuffle of his Cabinet.

Frau Huber, a member of Herr Schmidt's Social Democrat Party and Family Affairs Minister since 1976, is believed to have been deeply disappointed by the Chancellor's failure to deny the speculation over her job.

The Family Affairs Ministry said she had offered her resignation as early as last autumn over the Government's cuts in family allowances but had been dissuaded by Herr Hans Apel, the Defence Minister, because of the damage this would do to

the Government's position.

There is as yet no concrete sign of a major shuffle, and Frau Huber's resignation from such a minor post would not in itself force the Chancellor's hand. Indeed, it is possible that Frau Huber will carry on in a caretaker role.

Indeed, the Chancellor is understood to have been surprised, and unpleasantly so, by Frau Huber's action. He is known not to favour tinkering with his cabinet but any sweeping changes must wait for firm decisions on the more senior posts such as the Defence Ministry, where Herr Apel has been faced with considerable problems, or at Finance, where Herr Hans Matthöffer has heart trouble.

The increase in uranium out-

put and subsequent price drop has already dampened investment interest in exploration and could jeopardise supply over the long-term, according to a joint report released yesterday by the Organisation for Economic Co-operation and Development (OECD) and the International Atomic Energy Agency (IAEA). AP-DJ reports from PARIS.

The OECD and the IAEA said that the sluggish growth of nuclear power combined with increased supply capabilities have contributed to the short-term uranium over-supply.

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AMERICAN NEWS

Support gathering behind plan for U.S. oil import fee

By REGINALD DALE, U.S. EDITOR IN WASHINGTON

SUPPORT IS gathering in Washington behind a controversial proposal to impose an oil import fee of \$5 a barrel to help reduce soaring U.S. budget deficits. But, while the idea has been canvassed by White House officials in their budget negotiations in Capitol Hill, it does not yet appear to have the approval of President Ronald Reagan.

Doctors call for nuclear arms freeze

By Ian Davidson

DOCTORS from medical organisations in 31 countries, including the U.S., the Soviet Union and the UK, are claiming to represent at least 30,000 physicians, yesterday called for a freeze on the production, testing and deployment of nuclear weapons.

Their appeal, which was addressed to President Reagan of the U.S. and President Brezhnev of the Soviet Union, was drawn up at the conclusion of the second congress of the International Physicians for the Prevention of Nuclear War, held last weekend in Cambridge.

On Tuesday Mr Alexander Haig, the U.S. Secretary of State, rejected calls for a nuclear weapons freeze, which have been proposed by, among others, Senator Edward Kennedy, and argued that there would be little prospect of progress in arms control negotiations with the Soviet Union unless the Administration's plans for rebuilding American strategic forces received full support.

In its appeal, the doctors' group says "nuclear war would be a catastrophe for any country against whom these weapons were used with tens of hundreds of millions of people killed instantly. There would be no possibility of an effective medical response in the ensuing chaos."

Reagan tests the Caribbean temperature

By CANUTE JAMES IN KINGSTON

PRESIDENT REAGAN arrived in Jamaica yesterday at the start of his four-day "working holiday." His visit—to include Barbados, where he will meet several leaders of the East Caribbean countries—will be used as a barometer of the reaction to his proposed "Caribbean basin initiative," a package of financial assistance, incentives for investors and duty-free access to regional exports to the United States.

The proposals have already been welcomed by the Commonwealth Caribbean countries, none more so than Jamaica. Mr Edward Seaga, Jamaica's Prime Minister and Finance Minister, has described Mr Reagan's proposals as "bold, historic and far reaching in concept, especially in the stimulation of trade and investment."

Mr Seaga's response was no doubt influenced by the US\$50m (228m) his country will be receiving of the proposed \$350m in aid under the programme. Mr Reagan has said that Jamaica is one country where the plan can work: it is, indeed, the keystone of the United States' economic policy for the Caribbean.

VENEZUELA'S finance minister, Dr Luis Ugueto, missed last week's Inter-American Development Bank annual meeting. To a casual observer it looked as though he had turned down the chance of a good party. With succession of lobster and champagne open-air receptions in the balmy Caribbean breeze, the whole occasion gave off an almost festive air.

simply, they want more, and their requests to Mr Reagan will be backed by sound economic logic. The President has promised tax incentives for U.S. companies wishing to invest in the region, but the smaller Eastern Caribbean countries say they will be unable to attract these investors because they lack fundamental infrastructure. They feel more than \$10m—which will work out to about \$1m for each country—is needed to improve their communications, transport, electricity, water and sewerage systems. Several leaders are annoyed at what they regard as Mr Reagan's treatment of Mr Seaga as a favoured son.

More disturbing to Mr Reagan will be the region's attitude to the likely exclusion of Grenada from the benefits of the package. The U.S. Government and the leftist administration of Mr Maurice Bishop, the Prime Minister of Grenada, have been at loggerheads for the past three years. This is mainly because of the island's friendship with Cuba, which has been deepening since Mr Bishop's party took power in a coup which ousted Mr Eric Gairy.

The Caribbean countries last year rejected a small U.S. loan, being disbursed through the Caribbean Development Bank, because Washington said none of the funds should be allocated to Grenada. It is unlikely that they will reject the proposed aid package because of Mr Reagan's likely veto of assistance to Grenada, but the East Caribbean leaders could end up spoiling Mr Reagan's holiday by suggesting action which is inconsistent with his Administration's foreign policy. Dealing with his sunburn when he leaves the Caribbean on Sunday will not be the only problem he will take back to Washington.

Strains on the economic lifeline to Latin America

By PETER MONTAGNON, RECENTLY IN CARTAGENA

for the oil-importing countries. Dr Carlos Langoni, governor of Brazil's Central Bank, reckons that at a conservative estimate the lower oil price should save Brazil some \$600m to \$1bn this year. This will not make a dent in the country's massive foreign borrowing requirement, however, as exports are likely to grow more slowly than expected.

At best Argentina, whose economy slumped by 6 per cent last year, has been hoping for a modest resumption in growth in the second half of the year as confidence in the policies of its new Finance Minister, Sr Roberto Alemann, leads to a revival of investment. However, the Falklands crisis jeopardises all these hopes.

In neighbouring Chile, growth fell to 5.4 per cent last year from 7.5 per cent in 1980 and is expected to be even lower in 1982, according to Finance Minister Sr Rolando Ramos Muzoz.

Even Colombia, which now ranks as one of the best-rated borrowing countries in Latin America because of its relatively low foreign debt, saw its growth rate decline last year to under 3 per cent from 4.2 per cent in 1980.

Growth rates now being posted in Latin America are not sufficient to offset the rise in population. With living standards declining, fears of social unrest are growing, and meanwhile balance of payments problems continue to worsen.

According to Sr Antonio Ortiz Mena, the Inter-American Bank president, the combined current account deficit of the region rose last year to \$34bn from \$27.4bn in 1980.

Nor, he says, are the prospects for growth and balance of payments encouraging in 1982. Growth in the industrialised world will be inadequate to stimulate an immediate increase in Latin American export and external debt service.

The United States wants to curb the rise in the Bank's lending to Latin America and graduate some of its better-off nations out of use of bank's subsidised resources. It is taking a particularly tough line on the proposed sixth capital replenishment, which is intended to set the maximum permissible lending levels for the four years beginning in 1983.

Policies such as these could split the Bank apart, several Latin American nations argue. Dr Langoni told the annual meeting they were "an elegant way of condemning the Bank to extinction in the middle run." Not surprisingly, one of the few optimistic notes was sounded by Mr Beryl Sprinkel, head of the U.S. delegation who told a press conference that he was pleased to see so many nations adopting sensible Reagan-style economic policies, designed to limit inflation by removing impediments to free market forces on domestic prices and exchange rates.



Not surprisingly, one of the few optimistic notes was sounded by Mr Beryl Sprinkel, head of the U.S. delegation who told a press conference that he was pleased to see so many nations adopting sensible Reagan-style economic policies, designed to limit inflation by removing impediments to free market forces on domestic prices and exchange rates.

In a curious way his optimism for the region was also echoed in comments of international bankers. "They (the nations of Latin America) have only got the same recession as the rest of the world," said one. "We prefer to take a longer term view and I'm sure they'll pull round," said another.

"We're only here to make sure they pay a higher price for their loans," added a third.

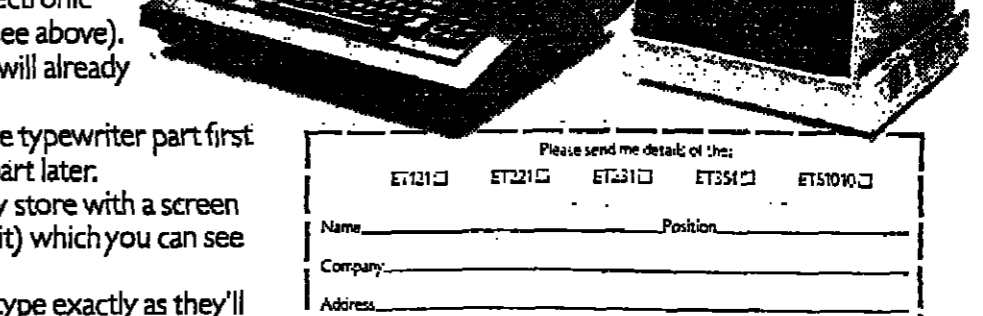
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Victory for Trudeau critic

By OUR FOREIGN STAFF

MR BRIAN PECKFORD, Premier of Newfoundland and one of the most vocal critics of Mr Pierre Trudeau, the Canadian Prime Minister, has won a thumping victory in the election of a new provincial legislature.

The Progressive Conservative Party took 44 of the 52 seats in the legislature, as against the 33 which put Mr Peckford into office three years ago. The Liberals slumped to eight seats and the social democratic New Democrats were wiped out.

Mr Peckford has fought tooth and nail against the central Government's claim to ownership of the gas and oil discovered off the coast of Newfoundland. He made this dispute his main election issue.

Mexico inflation rate up 3.7% in March

By OUR FOREIGN STAFF

Mexico's rate of inflation increased 3.7 per cent last month bringing the total for the first quarter to 13.1 per cent compared with 8 per cent in the corresponding 1981 period, according to the bank of Mexico, William Chislett writes from Mexico City.

Inflation is forecast by Government economists to be 60 per cent this year, double that in 1981.

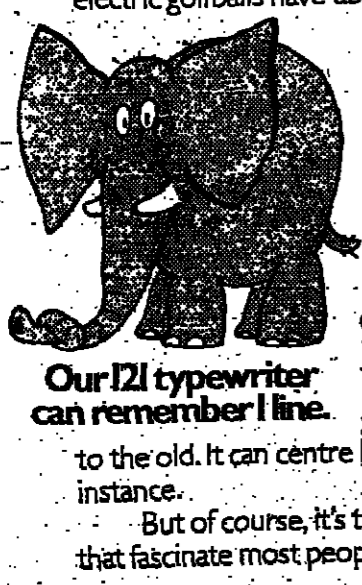
Among the other oil exporters, Ecuador is wrestling with an exchange crisis brought on by declining oil prices and has begun soundings on a \$900m (£500m) credit to rescue its private sector from the effects of devaluation.

Mexico is struggling to raise \$20bn abroad this year and has had to cut economic growth back to around 4 to 5.5 per cent in an effort to curb its soaring balance of payments deficit.

Nor are things much better in the continent.

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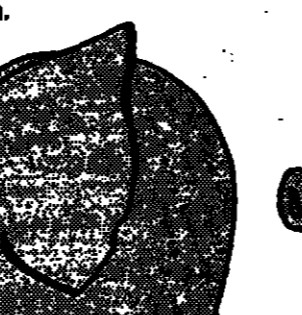


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as fast again as its smaller brother. After this, you make the big step to our first machine with a memory store outside, our 351.

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THE FALKLAND ISLANDS INVASION

Argentina installs administration on islands

BY JIMMY BURNS AND ANDREW WHITLEY IN BUENOS AIRES

ARGENTINA yesterday installed its own administration on the occupied Falkland Islands, formally confirming what it regards as an irreversible move.

mination to consolidate its hold on the islands. It will thus have a position of strength in negotiations with Britain which are being mediated by the U.S.

More UK warships prepare to sail LONDON — The Royal Navy yesterday prepared at least four more warships for sea, apparently to join the task force heading for the South Atlantic to recapture Falkland Islands.

Moscow backs away from openly siding with junta

BY DAVID BUCHAN, EAST EUROPE CORRESPONDENT

THE Soviet Union yesterday stepped up its condemnation of Britain for failing to decolonise the Falkland Islands, but displayed increasing nervousness about interruption of its grain supplies from Argentina and restated its "neutral position" in any coming conflict in the south Atlantic.

A statement by the Soviet Foreign Ministry, telephoned to western news agencies, reiterated, in stronger terms, criticism carried on Tuesday by the Tass news agency of British colonial policy.

At the start of the conflict last week, Moscow sat on the fence, abstaining on last Saturday's United Nations Security Council resolution calling for withdrawal of Argentine troops from the islands.

But the subsequent dispatch of British ships to the south Atlantic, and the possibility of a naval blockade, may now have raised fears in Moscow of an interruption in the grain flow.

Jimmy Burns, in Buenos Aires, looks at the cost of Falklands occupation Crisis upsets Argentine economic plans

IN THE MIDST of the effervescent nationalism and self-congratulatory jingoism that has underlined most Argentine reactions since the invasion of the Falklands, the tense public manner of Sr Roberto Alemann, the Economy Minister, has stuck out like a sore thumb.

Exports of Argentine tinmed meat will be the principal casualty of Britain's ban on all imports from the South American nation, once one of its leading trade partners.

A few days before the invasion took place he had just completed his draft 1982 budget and the first tentative list of economic sectors he believed should be open to private hands.

restore stability in the foreign exchange markets and in the financial system as a whole. He had also ensured sufficient powers to ensure that certain potential opponents of his nationalisation plans, such as military officers who were moonlighting as company directors, were replaced by competent civilians at the head of state enterprises.

was reported to have lost 7 per cent of its total funds due to withdrawals.

Argentive envoy in Hong Kong told to leave By Robert Cottrell in Hong Kong The British Government has told Sr Julio Ferrar, Argentina's consul-general in Hong Kong, that he must close his consulate and leave the colony by April 14.

For the moment British companies operating in Argentina, such as Davy, BAT Industries and Unilever, insist that their operations are running normally.

Gibraltar talks likely to be postponed AN announcement is expected today on the postponement of the reopening of the Spanish frontier with Gibraltar and the talks due to be held simultaneously on April 20 near Lisbon between the British and Spanish foreign ministers, writes Robert Graham from Madrid.

struction at the Blohm and Voss yards in Hamburg, and two TR 1700 submarines being built at the Thyssen Nordseewerke at Kiel.

Dr Goh announced that management of long-term investments was to be handed over to a newly formed company, the Government of Singapore Investment Corporation (GSIC) chaired by Lee Kuan Yew, the Prime Minister.

home country to monitor the performance of branches or, as subsidiaries in Singapore, to be managed by a local bank.

Dr Hu, the new managing director designate of both MAS and GSIC, does not take up his appointment until next year.

Allies join arms ban in protest at takeover of islands

BY OUR FOREIGN STAFF

FRANCE and Belgium yesterday followed the Netherlands and West Germany in banning arms sales to Argentina following the invasion of the Falkland Islands.

deal for light combat vehicles of its AML-90 series, a four-wheel-drive model equipped with a 90 mm cannon, already in widespread use.

Rescheduling sought for Vietnam's debt to non-communists

BY ALAIN CASS, ASIA EDITOR

VIETNAM'S no-communist creditors face the prospect of rescheduling \$1.4bn (£805m) in the country's outstanding hard-currency debt over the next few months.

Authority took active steps to promote the notion of Singapore as a financial supermarket, offering all kinds of services likely to increase its attractiveness as a financial centre.

young Singaporeans, headed by Lim Ho Kee, a graduate of the London School of Economics who is seconded to the MAS as deputy managing director from a local bank.

The European countries involved — France, Britain, Italy and Denmark — are restive to Vietnamese requests to tackle the crisis bilaterally.

THE PALESTINE Liberation Organisation has warned Israel against waging an attack against guerrilla positions in southern Lebanon, and declared that guerrilla forces are ready to repulse any aggression.

clear decision not to try "to do the business of banks better than they can themselves" as a senior government official put it.

Rio reaffirms neutrality but fails to condemn attack

BY OUR RIO DE JANEIRO CORRESPONDENT

IN NOTES delivered to the British and Argentine ambassadors, Brazil reaffirmed its official position of neutrality on the Falkland Islands crisis, delivering what it terms an "ardent appeal" for a peaceful solution to the conflict.

OVERSEAS NEWS

New role for Singapore's monetary authority

BY KATHRYN DAVIES IN SINGAPORE

ONE YEAR after Singapore's monetary authority (MAS) experienced a wholesale purge of its top management and saw its powers drastically curtailed, a new team seems to be slowly finding its feet under the vigilant eye of Dr Goh Keng Swee, Senior Deputy Prime Minister.

Dr Goh announced that management of long-term investments was to be handed over to a newly formed company, the Government of Singapore Investment Corporation (GSIC) chaired by Lee Kuan Yew, the Prime Minister.

Israelis warned against attack

BY IHSAN HIJAZI IN BEIRUT

THE PALESTINE Liberation Organisation has warned Israel against waging an attack against guerrilla positions in southern Lebanon, and declared that guerrilla forces are ready to repulse any aggression.

Gandhi 'mini election' challenge

BY K. K. SHARMA IN NEW DELHI

INDIAN PREMIER Indira Gandhi faces her strongest challenge since her return to power when four state legislative elections and seven parliamentary by-elections are held on May 19.

WORLD TRADE NEWS

EEC calls for exports pledge from Japan

BY BRIJ KHINDARIA IN GENEVA

THE European Economic Community has warned Japan that it must give "tangible assurances" of "effective moderation" in its exports to the EEC or face a Community drive in Gatt, the world trade watchdog body, forcibly to obtain changes in Japanese policies.

The Community yesterday delivered a 14-page document to the Japanese mission to the General Agreement on Tariffs and Trade (Gatt) in Geneva detailing its complaints against Japan and the reasons why the EEC has invoked Gatt's dispute settlement procedures to seek redress.

The Japanese had no immediate comment on the Community's position. They will no longer be able to put off the start to bilateral talks as a first step to finding satisfactory solutions to the Community's complaints under Gatt's Article 23.

As a member of Gatt, Japan is obliged to agree to such talks but tried to block an early start when the Community made the official request on March 25. Japan then said the EEC failed to describe clearly enough how Gatt's provisions are relevant to its complaints.

The Community alleges that Japanese reluctance to import goods other than raw materials has prevented achievement of Gatt's main aim—that of assuring "reciprocal and mutually advantageous arrangements" for all its members, including the EEC.

Troubles caused to other countries' industries by Japan's exports and the low level of its manufactured goods imports can be solved only by "a more balanced integration of the Japanese economy with that of its main industrialised partners, particularly the EEC," the Community told Japan.

The Community has specifically asked the Japanese Government to take "determined and swift action" to promote imports through an overall policy programme rather than isolated measures.

Steps the Government should take include encouragement of imports by public corporations, changes in the domestic distribution system to make more room for easier entrance into Japan for foreign companies seeking joint ventures or outright purchase of Japanese companies, it says.

Particular measures should be taken to reduce tariff levels and fiscal charges and to remove import quotas in such areas as processed foods and alcoholic drinks.

Quality standards and testing methods should also be brought more in line with international norms, especially for pharmaceutical and agrochemical products.

The Community also recommends Japan make access to its financial markets much easier. It would, thus, take a more active part in international monetary policy "commensurate with its world responsibilities."

The yen's role as a reserve and trading currency would also increase.

Heinz 'near to settling Zimbabwe deal'

By Our Salisbury Correspondent

NEGOTIATIONS over a \$200 million investment in Zimbabwe by the Heinz food processing group of the U.S. are reported to be near completion.

The proposed investment—the largest single private sector foreign investment in Zimbabwe since independence two years ago—involves a joint-venture takeover of the previously family-controlled Olive Industries (formerly Rhodesian Industries) which produce vegetable oils, margarine and related products.

Total cost of the takeover is estimated by diplomats at around \$50m, but less than half of this would represent an immediate new injection of funds. It is proposed that Heinz, whose chairman, Mr H. J. Heinz, and chief executive Mr Tony O'Reilly visited Zimbabwe early this week, would have a 51 per cent stake in the operation, with the Zimbabwe government taking the remaining 49 per cent.

The investment is seen as being of great importance for several reasons. It will put Mr Robert Mugabe's government into joint venture partnership with a leading U.S. trans-national company. It will be the largest private foreign investment since independence—total foreign investment in Zimbabwe in the past two years is estimated at only about \$40m.

The proposed investment is also of major significance because it would seem to fit in the face of the government's investment guidelines published 15 months ago where the Zimbabwe government said that it would not allow majority ownership of a domestically-owned business to pass into foreign hands. It appears that the government has relaxed its stance.

A FFY 100m (£10m) export credit facility has been signed in Salisbury by Zimbabwe's leading bank, the Standard, and two French banks, Banque Internationale pour l'Afrique Occidentale (BIAO) and Banque de l'Indochine et de Suez (Indosuez). The credit will be available to help finance purchases of capital goods and associated services from France.

James Buxton describes an Italian construction company's export success

Co-operative shows the way to profits

THE LITTLE town of Sheikh in the mountains of northern Somalia is chiefly famous for being the site of the only battle in the Second World War where the Italians beat the British.

Lately, it has had the more mundane distinction of being the site of an Italian construction camp—a kind of little Italy—for the project to build a tarmac road across the mountains from Berbera on the Gulf of Aden to Burao, near the Ethiopian border.

Apart from being one of the few tarmac roads in the whole country, the interesting thing about it is that it was built not by a traditionally organised company but by a co-operative, which has close links with the Italian Communist Party.

The contractor on the \$40m (£22m) project, completed last year, was Cooperativa Muratori and Cementisti, usually known as CMC. Based at Ravenna in the so-called "Red Region" of Emilia-Romagna in north-east Italy, it is now the fifth biggest construction company in the country, with a turnover last year of £231m (£100m) and profits of £35m.

CMC is the leading construction company in the League of Co-operatives, an organisation which groups about 11,000 co-operative concerns all over Italy, and which is controlled by an uneasy coalition of communists and socialists, to whose funds they contribute. Other co-operatives are oriented towards the Christian Democrats and other parties.

The two main differences between an Italian co-operative and other private sector companies is that its capital is owned in equal shares by its members, and that it practices a system of self-management.

This not only means that the management is elected by the workers, but that at site and shop floor level the workers normally decide among themselves how to carry out the work. Managers and directors earn little more than the other workers.

Profitable construction work, especially overseas, is no place for the ideologue or the amateur, and the prevalent impression that one gets from CMC is commercial hard-headedness.

Though set up as long ago as 1901, CMC still had a relatively modest turnover of £12m in 1971. Its enormous expansion since then was based partly on important domestic contracts and an expanding operations abroad, from which the co-operative drew about a seventh of its turnover last year.

Most of the countries in which CMC operates or has operated have Socialist governments—states like Tanzania, Somalia, Mozambique, Algeria and Yugo-

slavia—but this may be more a reflection of other factors than of an ideological affinity.

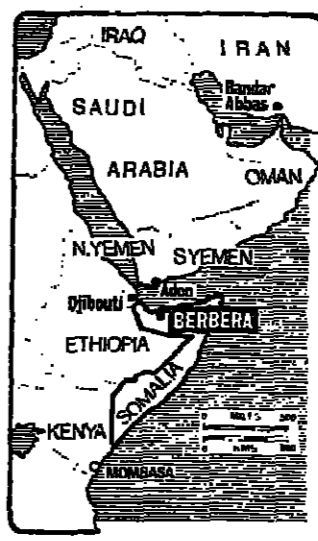
Construction companies try to go where they have the best chances of getting paid fast. In developing countries this means either going to the better organised of the oil-rich states (such as Algeria) or to poorer countries where development projects are externally financed by aid funds.

The Somalia road project was financed by the Abu Dhabi Development Fund. CMC recently completed a \$47m project for a hydro-electric dam in the hinterland of Tanzania financed by, among others, the World Bank and Sweden.

Last autumn CMC signed a £90m contract to build a dam on the River Limpopo outside Maputo, the capital of Mozambique. On that project, for which the contract is worth £30m, CMC is leading a consortium, including the state-owned concern Italstrade.

The financing will come entirely from Italian funds under an aid agreement with Mozambique. Organisations of the Italian left such as the Communist Party, immediately after independence in 1975, paved the way to the big Italian presence in the former Portuguese possession.

CMC has also won contracts in Algeria and is looking hard at Malaysia and Latin America. It has prequalified for what is likely to be the both politically



"Other companies like working alongside us because our men are generally better qualified and more experienced right down the line," says Sig Adriano Antolini, the general manager.

But in most other ways CMC has to function like an ordinary company, and to recruit good staff has to rely on commitment and job satisfaction rather than high pay.

Another feature of CMC, like other co-operatives, is that it must borrow heavily to obtain working capital because its equity base is low—£2.45m (£1m) divided among 1,700 members, who make up about half the staff.

By contrast its bank borrowings and long- and medium-term loans totalled £161m in 1980, and last year raised \$25m from a pool of banks in London.

From the point of view of the Communist Party, which has seven of 13 seats on CMC's board of directors (of the rest, four are held by Republicans, the party of Sig Giovanni Spadolini, the Prime Minister, and two by Socialists), successful co-operatives are the model for the economic organisation of the future.

They represent a "terza via," or third way, between Soviet Communism and Western social democracy.

As the Communist Party draws further away from Moscow, the third way is coming under closer scrutiny.

First borrowing on Tokyo import fund soon

TOKYO—The first borrowing from a Japanese Government \$500m emergency import financing programme will be arranged soon to finance imports of West German cars, finance ministry officials said.

They said the \$3.7m loan will be used to import 354 cars from Bayerische Motoren Werke AG (BMW) of West Germany. BMW's wholly-owned sales subsidiary, BMW Japan, will borrow the funds and import the vehicles.

They said they expect \$300m to be borrowed under the scheme in 1982.

The Government inaugurated the scheme to lend short-term funds through banks in Japan last January, using the finances of the semi-official Export-Import Bank to try to trim the Japanese trade surplus by increasing imports.

Ministry Officials expect \$300m to be borrowed under the scheme in 1982.

Costa Rica airline buys Boeings

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE COSTA RICAN airline, Laca, has ordered two Boeing 757 twin-engine jet airliners, worth \$90m, powered by the new Rolls-Royce Dash 535 version of the RB-211 engine.

This brings to seven the number of airlines buying the 757, of which six have chosen the Rolls-Royce engine. Total Boeing 757 orders to date amount to 123 aircraft firm, with another 56 on option.

The Laca aircraft, due for delivery in 1986, will replace the existing two Boeing 727s and three British Aerospace One-Eleven in its fleet. The value of the engine order to Rolls-Royce is about £10m.

A consultancy contract for the Gibraltar 701MW power station extension has been awarded to Ewbank International Consultants, the Dubai-

Business delegation to 'sell New York' to Britain

BY OUR NEW YORK STAFF

A DELEGATION of New York civic leaders and businessmen plans a week-long trade mission to the UK and West Germany in May to drum up business interest in the city Under the banner of "Make It in New York City," it will be led by Mr David Rockefeller, the former chairman of Chase Manhattan Bank.

Mr Ed Koch, Mayor of New York, said: "This delegation will be taking the message to manufacturers in England and West Germany that their best opportunities for expansion in the U.S. are right here."

The mission will visit London, Chester, Düsseldorf and Frankfurt.

Our Defence Correspondent adds: A conference to alert

Business delegation to 'sell New York' to Britain

The British Government has introduced changes in the arrangements for calculating the bank's margins of return on fixed rate sterling export finance provided under ECGD guarantees. This finance is used for capital goods exports sold on credit terms of two years or more.

Mr Peter Rees, the Trade Minister, said in the Commons yesterday that the Government has decided that the banks' margin on new fixed rate lending will be reduced from 12 per cent over three-month sterling Libor to a maximum of 2 per cent for credits involving repayment periods of less than 12 years. For credits of 12 years or more, the maximum margin will be 2 per cent for the first 12 years and 1 per cent thereafter.

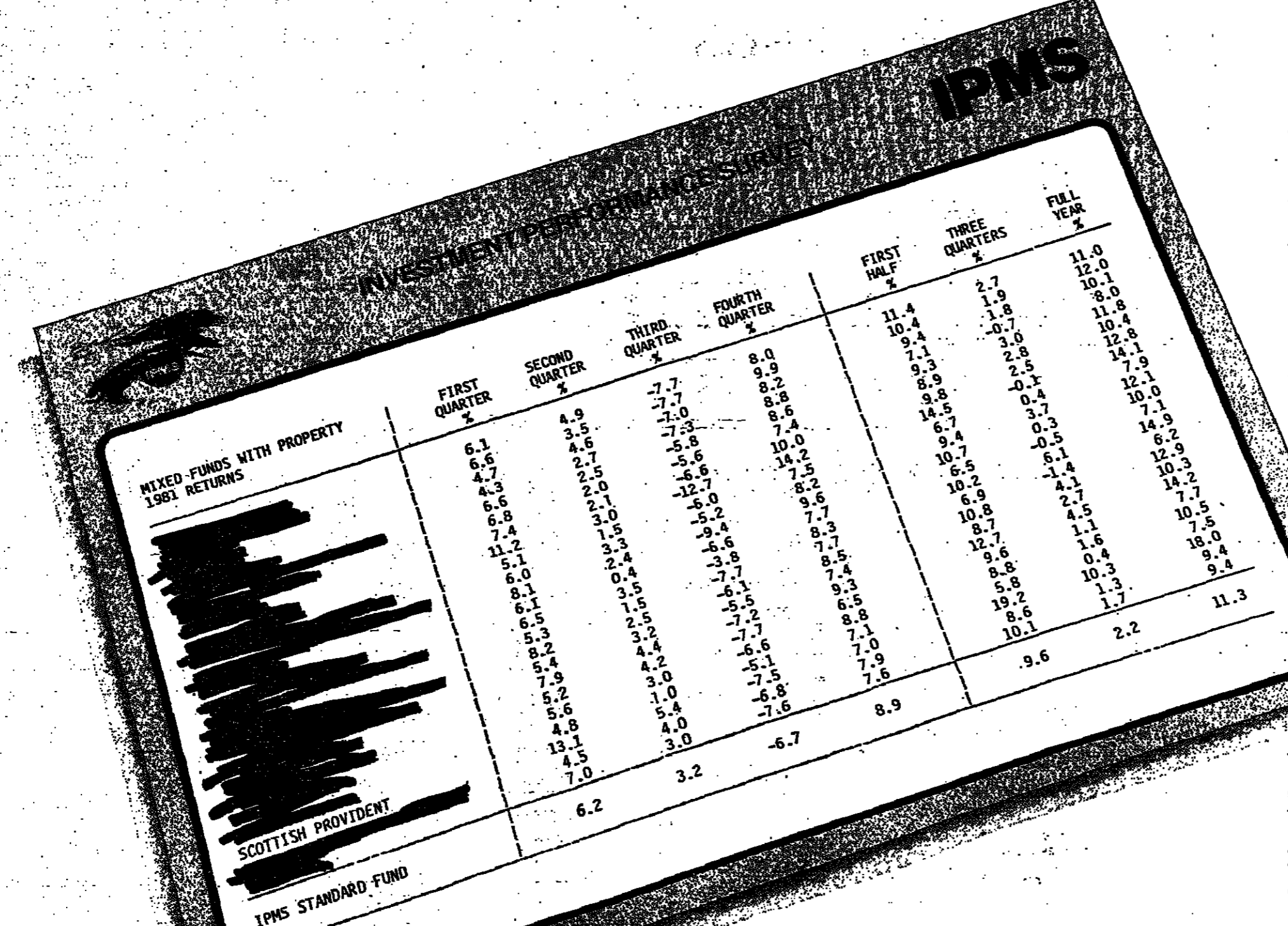
UK companies will be able to receive cash payment for export contracts with buyers in India under a \$5m line of credit guaranteed by the Export Credits Guarantee Department. The loan has been provided by Standard Chartered Merchant Bank to the Industrial Credit and Investment Corporation of India, for the purchase of plant, equipment and associated services by Indian buyers. Exports will receive 85 per cent of the value of eligible contracts from the loan.

Business delegation to 'sell New York' to Britain

defence contractors and other British companies to a multi-billion dollar market in the U.S. is being organised by the London Chamber of Commerce and Industry on April 21.

LCICI believes British business could compete much more effectively in supplying a range of nearly 10,000 items—from military components to everyday household goods—for the U.S. Armed Services in a total market estimated at \$155bn.

The conference is being organised by the Chamber in conjunction with the Ministry of Defence, Department of Trade, the British Embassy in Washington and Barclays Bank International. Fee: around \$40 for the half day conference, including lunch.



Here is an independent survey of Managed Pension Fund performance in 1981 published by Cubie, Wood & Co. Ltd*

As you can see from the figures, in mixed funds with property one Managed Fund clearly outperforms the others.

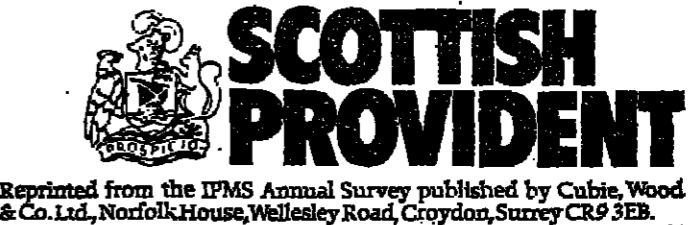
Scottish Provident. No less than three other independent surveys (from Willis Faber, The Wyatt Company and MPA) reach the same conclusion.

In equity funds, too, Scottish Provident is first out of 18 funds analysed by Cubie, Wood, showing growth of 32.0% over the year (Our nearest competitor managed a respectable 23.8%).

This is a unique record. It means that those companies who have entrusted their pension funds to us, whether on a mixed or on a specialist equity basis, have seen the value of their funds far outstrip the average fund during 1981.

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We've obliterated the competition.

*Reprinted from the IPIPS Annual Survey published by Cubie, Wood & Co. Ltd., Norfolk House, Wellesley Road, Croydon, Surrey CR9 3EB.

UK NEWS

PAPERS DELIVERED AT YESTERDAY'S NEDC MEETING

Treasury puts TUC options to the test

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

AN INCREASE of £2bn a year in public investment would bring little real benefit to the UK economy after five years, according to a simulation exercise carried out by the Treasury. The simulation was carried out on the Treasury's economic model in response to a request from the TUC. It suggests an increase in public investment would raise national output and reduce unemployment for the first three years, but inflation would increase, and interest rates would rise to finance the extra borrowing. The exchange rate would also be higher than it would otherwise have been. These three effects would combine to choke off growth in the fourth and fifth years, and unemployment would grow beyond what it would otherwise have been.

The results show that the effect of a cut in VAT would be broadly similar to that of an increase in public investment. A boost to output and employment in the first four years would be greatly choked off by higher interest rates and a higher exchange rate. Inflation, after being reduced in the first two years, would then become higher than it would otherwise have been. The cut in VAT would be expected to increase real disposable incomes and therefore demand, but part of this would be satisfied by an increase of imports. Interest rates would rise as a result of the increased public borrowing needed to finance the tax cut.

TREASURY SIMULATION RESULTS: SUMMARY

Year	Real GDP %	Unemployment %	Inflation %	Public investment (£bn a year at year 1 prices)
1	0.8	0.2	-40	2
2	0.9	0.4	-90	3
3	0.4	0.9	-30	4
4	-0.3	1.1	60	5
5	-0.7	0.2	130	

new cash planning system, and vice versa. This arises because about two-thirds of government expenditure is planned in cash terms on the basis of the Treasury's assumptions about the inflation rate for the year ahead. Any reduction of inflation below this assumed rate would automatically raise the "real" value of these cash totals, and therefore of aggregate demand in the economy. Conversely, higher inflation would lower aggregate demand.

disposable income would increase as a result of the new jobs created. The Chancellor, in an accompanying memorandum to the NEDC, emphasises that the Treasury calculations assume that the markets would retain confidence in the Government's general strategy. This assumption would be more likely to be valid if any changes of policy were relatively small. The Treasury model is therefore more suited to predicting the effect of small deviations from a particular financial strategy than to coping with a major change of the strategy itself.

The Treasury emphasises the limitations of its predictions which are based on a large number of complicated assumptions embodied in the Treasury model. The predictions attempt to describe the behaviour of the economy given specific policy changes.

The simulations were carried out after a suggestion from the TUC at the January meeting of the National Economic Development Council that the Treasury should estimate the effects of two possible policy changes. One of these was the £2bn-a-

effects on output, unemployment and inflation

A fifth simulation, of the effects of improved industrial productivity, and non-price competitiveness, showed, hardly surprisingly, a sustained improvement in output. Unemployment would be expected to increase a little in the first year, but to fall thereafter in response to increases in real demand and the improved international competitiveness of industry.

investment. However, public sector costs would also be reduced with a consequent reduction in public borrowing and slightly lower interest rates. Increased output would result partly from improved exports and partly from increased company investment. Unemployment would be reduced as a result by about 450,000 after five years.

investment. The real take-home pay of those at work at the start of the period would be reduced, but the total of real national

One of these was the £2bn-a-

One of these was the £2bn-a-

One of these was the £2bn-a-

One of these was the £2bn-a-

One of these was the £2bn-a-

Output

The Treasury says: "The simulation suggests that after five years, output and unemployment might be much the same as in the base prediction or rather worse. Inflation could still be more than 1 per cent higher."

The Treasury's simulation, compared with the policy options suggested by the TUC, shows that lower wage settlements and lower short-term interest rates could be expected to have sustained beneficial

Investment

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Productivity 'must stay ahead of wages'

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

A WARNING that industry's productivity gains made in the recession might not be continued and expanded when the economy picks up was issued yesterday by the National Economic Development Office.

preventing the inflationary consequences of rapid growth. By making these counter-points the paper reflects both the Government's interest in stressing the productivity achievements that have been made and the wish of the office, as an independent organisation, to stress that few permanent conclusions can yet be drawn.

at least part of the gain has arisen from more positive action by companies which have responded to the recession by developing new products, and opening up new markets overseas. Improvements in working arrangements and management practices have also been noted.

the second question was less easy because it was "always difficult to detect whether changes visible over a short period represent only a short-term response or the beginning of a new and more major development."

Overall it may well be that changes induced by the current recession have influenced the prospects for long-term productivity growth in a manner not seen before, particularly if the pressures of the past two years have resulted in some companies becoming more accustomed to change in methods and products than before.

It warns, however: "While there is some qualitative evidence of new and more fundamental changes, which could alter the UK's long-term productivity growth trend, this has not yet been reflected to any appreciable extent in aggregate statistics on productivity."

Other countries also experienced productivity gains recently but the improvement was greatest in the UK. "The factors lying behind the improvement are of particular significance," says the paper.

Two major questions arose on the implications of such changes:

It would not be possible to state definitely whether the UK's poor long-term trend had been altered until economic recovery was well under way.

It remains the case that if the long-term growth of productivity has changed it must primarily depend on the recent changes induced by the recession having altered the traditional association between output growth and productivity growth that has held in more buoyant periods.

Each of the past three UK recessions had been associated, like the present one, with exceptional productivity gains compared with falling output. These gains were larger in the 1975 recession, but, also, the fall in output has been larger.

It remains unclear either that the UK can generate fast growth in the forecast recovery or that we yet have a basis for

On the first question, evidence suggested the UK would hold to the gains, as had happened in past cycles. There was also increasing anecdotal evidence from companies that they expected to hold on to gains made by lower manning levels

All sub-sectors of manufacturing industry had experienced shake-out gains in productivity relative to output. The largest gains were in the vehicle-manufacturing industry, metal-manufacturing (two-thirds of which was accounted for by iron and steel), bricks and glass, and mechanical and electrical and instrument engineering. Together these sub-sectors accounted for almost 60 per cent of the total gains achieved.

How, however, existing levels of competitiveness, it cannot be assumed that UK industry is substantially better-placed for the next upswing in demand than the last. The paper also says basic productivity fell by 5.5 per cent from a peak in the third quarter of 1970, if unemployed people in addition to people at work are included in productivity calculations.

Foreign ferries lose claim against Trinity House

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

A CLAIM by two Continental ferry companies to be allowed to sue Trinity House, the UK pilotage authority, for well over £500,000 in excess pilotage fees they allege they have been wrongfully required to pay, was rejected by the Court of Appeal yesterday.

They complained that because of Trinity House's refusal to examine their masters, DFDS was having to pay about £300 for each entry and departure and Prims about £250. If the masters could pilot their own ships the only payment required would be about £6 to the pilot fund.

Call for central tax on industry

BY ROBIN PAULEY

DOMESTIC RATES should be retained, reformed and supplemented by a central tax says the Association of British Chambers of Commerce. Non-domestic rates should become a national tax fixed centrally.

The association says this would largely remove the need for the Rate Support Grant. It says the Green Paper is "irredeemably flawed" because it fails to consider the financing of local government as a whole.

ment Secretary would fix the non-domestic rate with the consent of the Commons and an index would take account of inflation after the "start" year. There would be annual consultation on the level of services and the proportion of their costs to be carried by commerce.

Stornoway jobs threat

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

LEWIS OFFSHORE has issued precautionary 90-day redundancy notices to all 400 workers at its heavy fabrication yard at Arnish Point, Stornoway in the Western Isles. The company blames a drop in offshore construction activity.

Lord Denning said the foreign masters had as much expert knowledge of Harwich as British masters. But Trinity House was faced with the problem that the more certificates that were granted the more UK pilots would become unemployed, and the more revenue Trinity House would lose.

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NOTICE OF REDEMPTION
To the Holders of
ENTE NAZIONALE IDROCARBURI
E.N.I.
(National Hydrocarbons Authority)
6 3/4% Sinking Fund Debentures due November 1, 1982

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Sinking Fund for the Debentures of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected by lot for redemption on May 1, 1982 at the principal amount thereof \$460,000 principal amount of said Debentures, as follows:

Outstanding Debentures of U.S. \$1,000 Each of Prefix "M" Bearing Serial Numbers Ending in the Following Two Digits:

19	25	27	45	66
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Also Debentures of U.S. \$1,000 Each of Prefix "M" Bearing the Following Serial Numbers:

69	869	1789	2669	3469	4269	5069	5869	6669	7469	8269	9069	9869	10669	11469	12269	13069	13869	14669	15469	16269	17069	17869	18669	19469
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On May 1, 1982 there will become due and payable upon each Debenture the principal amount thereof, in such coin or currency of the United States of America as on said date is legal tender for the payment of public and private debts, at the option of the holder, either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 90 West Broadway, New York, N.Y. 10015, or (b) subject to any laws and regulations applicable thereto with respect to the payment, currency of payment or otherwise in the country of any of the following offices, at the principal office of Banca Nazionale del Lavoro in Rome or the principal office of Banca Commerciale Italiana in Milan or the main office of Morgan Guaranty Trust Company of New York in London, Brussels, Paris or Frankfurt or the main office of Algemeen Bank Nederland N.V. in Amsterdam or the main office of Kredietbank S.A. Luxembourg in Luxembourg-Ville.

Debentures surrendered for redemption should have attached all unexpired coupons appurtenant thereto. Coupons due May 1, 1982 should be detached and collected in the usual manner. From and after May 1, 1982 interest shall cease to accrue on the Debentures herein designated for redemption.

ENTE NAZIONALE IDROCARBURI
By: MORGAN GUARANTY TRUST COMPANY
OF NEW YORK, Fiscal Agent

March 30, 1982

NOTICE
The following Debentures previously called for redemption have not as yet been presented for payment:

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London, England
Telephone 01-930-8857
May 4-5

Or write to:

S.H. (S&P) Spragg
Manager, Economic Development
City of Kamloops
7 Victoria Street West
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V2C 1A2
Telephone (604) 374-3311
Telex 048-755

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Grade and Gill face fresh allegations of ACC 'perks'

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

LORD GRADE, the former head of Associated Communications Corporation, paid £1 for an option to buy his Belgrave house at its 1975 price, plus the cost of improvements, institutional shareholders of the company allege.

It is believed the property, valued last year at £405,000, was purchased for about £125,000, and that structural alterations and improvements increased the cost to about £200,000.

The option was granted by the ACC subsidiary Bentray Investments, in July 1975, four months after the property was purchased, the shareholders allege.

The allegations are in the latest amendments to the High Court petition by which the shareholders seek to block a record £500,000 golden handshake to Lord Grade's former deputy, Mr Jack Gill.

Lord Grade can exercise the option at any time, or his widow can have the benefit of it during the six months following his death, claim the petitioners.

The penthouse, in Cheval House, Cheval Place, has an 89-year unexpired lease.

The existence of the option was first mentioned in the High Court in January, when Possfund's QC, Mr Peter Millett, said it had been granted three days before Mr Gill was given an option to buy his company house at £109,000 below its market value.

The Gill option had been executed by Lord Grade on Bentray's behalf, said Mr Millett.

He said of the Grade option: "We don't know who signed it on behalf of Bentray, but there is an inference that it must have been Mr Gill. There is no evidence that the option was considered by the board of the company."

The new amendments also allege that Mr Gill, accused by the petitioners of breaches of his duty to the company, "caused or procured" the company to confer benefits on Mr Eric Black, one of its non-executive directors, without the knowledge, approval or authority of the board.

These benefits are said to have been:

- Regular payments, in addition to director's fees, said at one time to have been at a rate equivalent to not less than £12,000 a year.
- An agreement to pay him a £15,000-a-year pension when he retired as a director.
- The use of a Rolls-Royce and chauffeur.

Midlands companies report signs of upturn

By Arthur Smith

THE West Midlands Chamber of Commerce reports encouraging signs of an upturn in both home and export orders.

However, in line with recent surveys by the regional office of the Confederation of British Industry, its latest economic survey published today, points out that the improvement is from a low base.

Mr James Ackers, chairman of the West Midlands chamber, last night described the change as "modest". The number of companies expecting to reduce their workforces remained greater than those likely to recruit labour.

Any improvement in the economy was likely to remain only gradual unless there was a really significant reduction in interest rates. Such a movement, Mr Ackers said, was in large measure dependent upon the policy of the U.S. administration.

Industry in the West Midlands has argued consistently in recent months that official forecasts of a significant upturn in the economy were premature.

This survey indicates that interest charges and local authority rates are greater issues of concern than the pace of inflation.

The shareowners also allege that Lord Grade and Mr Gill received substantial payments from ACC's U.S. associate, Associated Film Distributors, which were not disclosed to, or approved or authorised by, the ACC Board.

The shareholders contend that matters about which they complain typify the manner in which the affairs of ACC and its subsidiaries have been conducted. They also refer to two yachts in the Mediterranean—one said to have cost \$1.7m—and two river craft on the Thames.

Similar allegations are made about a private aircraft and a villa in Portugal—the latter alleged to be owned and maintained by a Swiss subsidiary of ACC.

The new amendments were lodged with the court yesterday. They replaced parts of the petition which were deleted last week because the court said they were too general.

Mr Gill's counsel said the amendments mentioned in the court on Tuesday were unsupported by evidence.

The petition will come before the court again on May 10. It is generally accepted that it will not be ready for a substantive hearing and a ruling by the court until early next year.

Scramble for motorbike sales

John Griffiths previews the International Motor-cycle Show

THE International Motorcycle Show opens its doors to the public at the National Exhibition Centre near Birmingham tomorrow. The name is appropriate—apart from a flourishing accessories trade, there is not much about it which is British.

Lord Alexander Hesketh's new 1,000 cc Vee-Twin "superbike" will be there. Initial production of 2,000 a year is planned.

The struggling Meriden co-operative's latest Triumphs will be on show, as will the low-volume products of a handful of other makers, including names such as BSA, which are just shadows of their 1980s selves.

Not surprisingly, when they account for 90 per cent of UK sales, the presence of Honda, Yamaha, Suzuki and Kawasaki swamps all else. Honda alone has 85 models on show. What is left of the UK industry accounts for just over 1 per cent of the British market. The rest is taken by Continental makers and cheap Eastern Europe imports.

Market

But all is not well in the Japanese camp.

Having virtually taken over a market which shows every sign, barring an energy crisis of major proportions, of growing only slowly over the next 10 years, the Japanese manufacturers increasingly appear to be locked into a cycle of

investing ever larger sums for ever diminishing returns.

In the UK, no less than in other developed nations' markets, the Japanese makers are rapidly presenting—and equally rapidly discarding—a seemingly endless array of new products to tempt bemused customers who either cannot or will not buy, at least in the quantities Japan's volume-gear factories require.

Between them they have launched almost 100 new or revised models in the past 12 months in Britain alone, with more to be unveiled at the show. The degree to which new wares are being hawked is, in the view of a number of industry observers, approaching the absurd.

A customer who at the end of 1980 bought a 500cc Kawasaki model, for example, found that by the end of last year his version was three models old. So fast has been the redundancy rate that replacement parts for machines as little as two years old have become difficult to locate beneath the mountain of parts for newer models.

Pressure on Britain's 2,000 dealers to absorb output at a time when sales have fallen through recession and a number of other factors, have made dis-

truss selling widespread. The Motor Agents Association has warned that 10 per cent of the dealer network could disappear without a return to more orderly marketing conditions. To illustrate, one 750cc "superbike" with a list price of £2,000 is being offered for £1,299 in some quarters.

The signs are that there is little prospect of more orderly marketing. Registrations fell by 13 per cent last year to 275,000—from a 1980 level which was admittedly the highest since 1959. And despite forecasts at the start of this year by Mr Eric Sulley, Motor Cycle Association president, that registrations will climb back to 300,000 by the end of this year, many in the industry are preparing itself for a further drop of as much as 15 per cent.

Whether Mr Sulley's forecast will be closer to the mark appears to depend on industry hopes that the British Rail strike and the big jump in machine as little as two years old have become difficult to locate beneath the mountain of parts for newer models.

It is against this background that the small nucleus of British makers is striving to get their own mini-revival off the ground. Hopes of clawing back lost

ground from the Japanese are at best modest. But Hesketh is aiming for a small slot at the top of the "superbike" market where purchase price is seen as almost unimportant.

The Meriden co-operative produces about 100 bikes a week, and it recently settled the issue of its £11m debts to the Government, under an agreement allowing them to be written off by repayment of £2m to the Export Credits Guarantee Department of funds due on machines that had been stockpiled in the U.S. Mr John Rossmund, the co-operative chairman, said last month that it will have "a secure future."

Mopeds

The BSA name was revived in 1979, by the Norton Villiers Triumph group, for lightweight motorcycles and mopeds being built with Italian engines, and there are hopes of breaking into the big bike market with a rotary-engined machine.

BSA output is as yet limited to a few thousand.

That leaves a motorcycle venture under the aegis of Mr Harry Hopper, head of the Armstrong Equipment Group, and the ambitions of Waddon Engineering.

Waddon was launched last year with the intention of eventually taking a large slice of Japanese motorcycle sales not just in Britain but in Europe. It hopes to start building 5,000 machines a year at Croydon from September.

BSC accused of irresponsible pricing

BY ARTHUR SMITH, MIDLAND CORRESPONDENT

BRITISH STEEL Corporation's pricing was "irresponsible," Mr Frank Brown, president of the National Association of Drop Forgers and Stampers, said yesterday.

He told the association's annual meeting in Birmingham that his industry was being squeezed by the rising cost of steel and the inability to pass on price increases. He also took a sideswipe at BL.

The labour force of the industry, which is a key supplier to the automotive and engineering sectors, had been cut by 30 per cent to 15,600 in two years, he said.

Yet there was still an excess of capacity chasing too few orders.

"Customers had exploited the buyers' market and had shown they were more interested in short term gains than the overall stability of the relationship between supplier and user."

The industry had not been helped by its own suppliers, both BSC and the independent companies.

The increase in steel prices last October might have been necessary but to follow that with a further rise this February was irresponsible, Mr Brown maintained.

Members had been greeted with a hostile response from customers when they tried to pass on the price increase. "This is particularly so in the case of BL."

He referred to the refusal of BL to pay BSC the price rise announced this year. "It is therefore not surprising that BL has refused to settle price increases with our members based on the same BSC list."

But, if BL were stopped because of lack of steel its losses would be underwritten by the taxpayer, said Mr Brown.

"Our members are not big enough and powerful enough to resist BL or BSC. We need the steel we need the orders. If we stop we go out of business," he declared.

Output from the drop forging industry last year was just over 276,000 tons, a fall of 18.3 per cent from 1980 and 38.7 per cent from 1979.

The trend was upwards, however, for the first few months of this year, Mr Brown said. But with low order books there could be little confidence of achieving a break even position.

"The return on capital employed is far from acceptable," he said.

Order for research ship

BY DAVID FISHLOCK, SCIENCE EDITOR

A RESEARCH vessel, more ambitious than scientists had hoped for, is about to be ordered by the Natural Environment Research Council.

The 1,800 tons gross ship, costing £7.25m, will be ordered from Appledore Shipbuilders in North Devon, part of British Shipbuilders. Appledore won the order in competition with two other shipyards, one Norwegian and the other a British private company.

The competition prodded British Shipbuilders into making a more imaginative bid than it otherwise might have made for a relatively small vessel, said Sir Herman Bondi, chairman of the research council.

As a result, the new vessel—which he hopes to name the Charles Darwin—will be the NERC's single most expensive research vehicle. The price will include the ship and its laboratories but not the on-board instrumentation.

The Charles Darwin will replace its present research vehicle, the Shackleton, in the spring of 1984. It will be 60 feet long and have a propulsion system permitting either diesel-electric or direct diesel drive.

Sir Herman said the purchase of a vessel, at a time when finances were far from easy, represented the council's belief in the importance of maintaining and improving Britain's capability for high-level research in the oceans.

Newcastle airport plans to build £2m taxiway

BY NICK GARNETT

NEWCASTLE airport is planning to build a taxiway parallel to its single runway as part of an expansion programme. The programme is geared to doubling the number of passengers handled each year—from the present 1.1m by the end of the decade.

The local authority airport is three quarters of the way through an £8.5m enlargement and modernisation scheme for its terminal buildings which it says will attract industry.

The taxiway would represent a further estimated investment of £2m. A £130,000 extension of the airport aprons is also on the drawing board.

The Tyne and Wear Passenger Transport Executive, too, has some long range proposals for extending the Metro light railway—which now ends three miles from the airport—to the terminal buildings at a current cost of £3m to £4m.

A new motorway class road is also due to be extended from the A1(M) to the airport's perimeter.

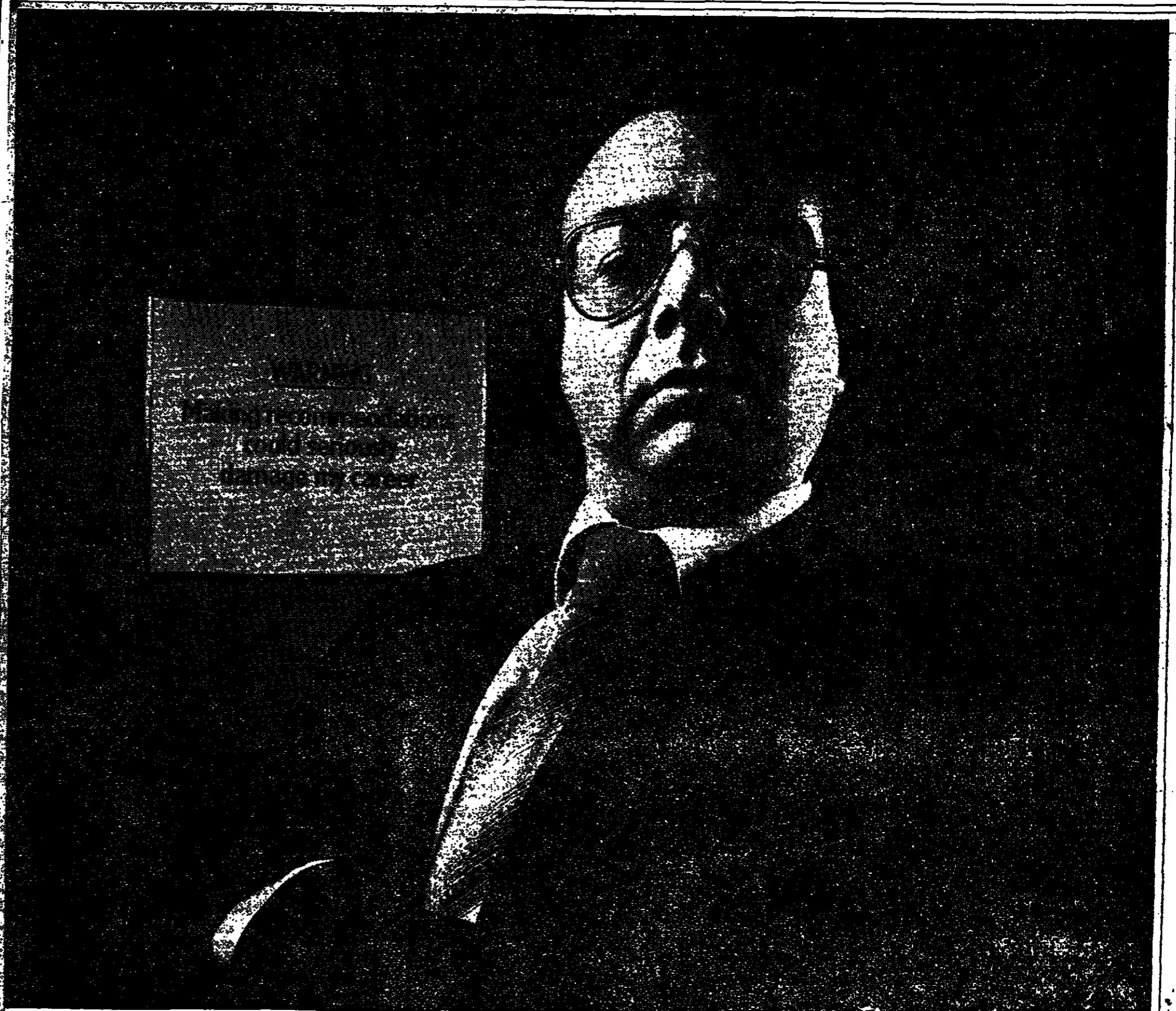
Newcastle has some of the poorest taxiing facilities for aircraft in the UK. The field has a similar ground configuration to that of Tenerife—scene of a major disaster on the ground involving two Jumbo jets—with planes required to taxi down the runway.

The taxiway would be built partly as a safety measure, although the airport says the present system, which includes television monitoring, is fully safe.

The main impetus for building is to remove unnecessary delays during times of high traffic and to improve the general efficiency of handling craft. The taxiway would more than quadruple the airport's potential movement rate.

One of Newcastle's biggest weaknesses is the restricted number of international routes on which scheduled flights operate. These currently are Amsterdam, Stavanger, Bergen and Dublin.

Mr Jim Denyer, the airport director, said the intention was not to try to obtain "gateway airport" status. There is small chance of a scheduled flight to the U.S. at least until 1990.



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COMPANY NOTICES

I.L.I. International Insurance Investors N.V.

Notice of the Annual General Meeting of Shareholders to be held on April 30, 1982

To the Shareholders of I.L.I. International Insurance Investors N.V.
Notice is hereby given that the Annual General Meeting of Shareholders of I.L.I. International Insurance Investors N.V. ("the Company") will be held at the Cupeyco Hotel in St. Maarten, Netherlands Antilles on April 30, 1982 at 1:00 pm Netherlands Antilles time for consideration of the following agenda:

- (1) Consideration of the Report of the Managing Board.
- (2) Consideration and approval of the profit and loss account for the financial period from September 22, 1980 to December 31, 1981 and balance sheet as at December 31, 1981.
- (3) For the election or re-election of four Class C Managing Directors.
- (4) For the appointment of a person to the office envisaged by Article 8 (3) of the Articles of Incorporation.
- (5) For the appointment of an independent chartered accountant for the audit of the financial statements for the year ending December 31, 1982.
- (6) The transaction of such other business as may properly come before the meeting.

Holders of bearer shares, in order to exercise their rights at the meeting must establish their ownership of such shares in a manner satisfactory to the Chairman of the meeting. Nevertheless, they may establish such ownership by depositing such shares (or a Certificate of Deposit of such shares) satisfactory to the Managing Board at the office of J. Henry Schroder Waggs & Co. Limited, 120 Cheapside, London EC2V 6DS, England, against written receipt, not later than five days prior to the date of the meeting and by producing this receipt at the meeting. Shareholders may be represented at the meeting by written proxy empowered in a letter.

CURACAO CORPORATION COMPANY N.V. Managing Director

Dated April 8, 1982

F. & C. ORIENTAL FUND S.A.

Notified to the Shareholders of F. & C. Oriental Fund S.A. that the Annual General Meeting of Shareholders will be held at the Stockholm Stock Exchange on Thursday, April 22, 1982, at 4:00 p.m.

1. To elect a chairman for the Meeting.
2. To confirm that the Meeting has been properly convened.
3. To elect two persons to check the accounts of the Company.
4. To present the Annual Report and Accounts.
5. To present the consolidated accounts and to present the consolidated profit and loss statement and the consolidated balance sheet.
6. To determine the remuneration payable to the directors and to the auditors.
7. To elect members of the Board and Deputy Auditors.
8. To resolve on a proposal by the Board to increase the authorised capital of the Company by 100 million Swedish Kroner.
9. To discharge the Members of the Board and the Auditors from liability.
10. To determine the appropriation of the profits, provided the Balance Sheet is approved.
11. To fix the date of payment of the dividend.
12. To determine the number of Members to be elected to the Board.
13. To determine the remuneration payable to the directors and to the auditors.
14. To elect members of the Board and Deputy Auditors.
15. To resolve on a proposal by the Board to increase the authorised capital of the Company by 100 million Swedish Kroner.
16. To discharge the Members of the Board and the Auditors from liability.
17. To fix the date of record for the Bonus of Shareholders.
18. To decide on any other business which may come before the Meeting.

TELEFONTER/TELEFON NUMMERE
The Annual Meeting of Shareholders will be held at the Stockholm Stock Exchange on Thursday, April 22, 1982, at 4:00 p.m. in the Stockholm Stock Exchange, Stockholm, Sweden.

F. & C. ATLANTIC FUND S.A.

Notified to the Shareholders of F. & C. Atlantic Fund S.A. that the Annual General Meeting of Shareholders will be held at the Luxembourg Stock Exchange on Thursday, April 22, 1982, at 4:00 p.m.

1. To elect a chairman for the Meeting.
2. To confirm that the Meeting has been properly convened.
3. To elect two persons to check the accounts of the Company.
4. To present the Annual Report and Accounts.
5. To present the consolidated accounts and to present the consolidated profit and loss statement and the consolidated balance sheet.
6. To determine the remuneration payable to the directors and to the auditors.
7. To elect members of the Board and Deputy Auditors.
8. To resolve on a proposal by the Board to increase the authorised capital of the Company by 100 million Luxembourg Francs.
9. To discharge the Members of the Board and the Auditors from liability.
10. To determine the appropriation of the profits, provided the Balance Sheet is approved.
11. To fix the date of payment of the dividend.
12. To determine the number of Members to be elected to the Board.
13. To determine the remuneration payable to the directors and to the auditors.
14. To elect members of the Board and Deputy Auditors.
15. To resolve on a proposal by the Board to increase the authorised capital of the Company by 100 million Luxembourg Francs.
16. To discharge the Members of the Board and the Auditors from liability.
17. To fix the date of record for the Bonus of Shareholders.
18. To decide on any other business which may come before the Meeting.

BANQUE INTERNATIONALE POUR L'AFRIQUE OCCIDENTALE

Notified to the Shareholders of Banque Internationale pour l'Afrique Occidentale that the Annual General Meeting of Shareholders will be held at the Luxembourg Stock Exchange on Thursday, April 22, 1982, at 4:00 p.m.

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UK NEWS

Rolls-Royce reports £18m profit before tax

By Michael Donne, Aerospace Correspondent

ROLLS-ROYCE, the Government owned aero-engine manufacturer, earned a pre-tax profit of £18m last year, compared with a loss of £22m in the previous year.

The trading profit, before financial expenses, amounted to £24m, against £12m in 1980, on a turnover that was 15 per cent higher at over £1.4bn (£1.26bn).

Sir Frank McFadzean, chairman, revealing these results yesterday, said considerable management effort had been applied last year to restructure the company's operations. As a result, the number of workers had been cut by 5,900, to about 52,000, and a comparable decrease is expected this year.

The severance terms have been voluntary, and cost the company £17m. After meeting these costs, and other items including tax, the overall result for the year was a net loss of £3m in 1980, a net loss of £27m in 1981, and a net loss of £38m in 1982.

Sir Frank said the results were affected by the continuing decline in the aircraft industry, which has deepened and "may go on longer than was anticipated."

"The productivity improvements which have been, and will continue to be, made in the company's operations have, of course, both immediate and long-run effects."

"The extent to which they will flow through in the form of a continuation of the improved profitability performance is heavily dependent on the demand trend for our products."

"At least in the short run, the outlook for military business is most promising than on the civil side."

Indeed, a continuation or even worse, an intensification of the adverse effects of the recession on the civil aircraft industry already in a difficult financial position both in the U.S. and internationally, could result in orders for new equipment being further postponed.

Sir Frank said that in addition to the recession in civil aviation, the intensification of competition between engine manufacturers for greater fuel efficiency. As a result more resources were being devoted to research and development.

Among the company's problems was the decline in spares business, which was appreciably short of budget as a result of various air forces reducing the number of hours flown, and a running down of inventories by civil airlines due to increasing financial pressures.

Military and related business continued satisfactorily.

E.B.E.S. SOCIÉTÉS REUNIES D'ENERGIE DU BASSIN DE L'ESCAUT SOCIÉTÉ ANONYME

Notified to the Shareholders of E.B.E.S. Sociétés Reunies d'Energie du Bassin de l'Escaut Société Anonyme that the Annual General Meeting of Shareholders will be held at the Brussels Stock Exchange on Thursday, April 22, 1982, at 4:00 p.m.

1. To elect a chairman for the Meeting.
2. To confirm that the Meeting has been properly convened.
3. To elect two persons to check the accounts of the Company.
4. To present the Annual Report and Accounts.
5. To present the consolidated accounts and to present the consolidated profit and loss statement and the consolidated balance sheet.
6. To determine the remuneration payable to the directors and to the auditors.
7. To elect members of the Board and Deputy Auditors.
8. To resolve on a proposal by the Board to increase the authorised capital of the Company by 100 million Belgian Francs.
9. To discharge the Members of the Board and the Auditors from liability.
10. To determine the appropriation of the profits, provided the Balance Sheet is approved.
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12. To determine the number of Members to be elected to the Board.
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15. To resolve on a proposal by the Board to increase the authorised capital of the Company by 100 million Belgian Francs.
16. To discharge the Members of the Board and the Auditors from liability.
17. To fix the date of record for the Bonus of Shareholders.
18. To decide on any other business which may come before the Meeting.

NOTICE OF ANNUAL GENERAL MEETING

Notified to the Shareholders of The Mortgage Bank and Financial Administration Agency of the Kingdom of Denmark that the Annual General Meeting of Shareholders will be held at the Copenhagen Stock Exchange on Thursday, April 22, 1982, at 4:00 p.m.

1. To elect a chairman for the Meeting.
2. To confirm that the Meeting has been properly convened.
3. To elect two persons to check the accounts of the Company.
4. To present the Annual Report and Accounts.
5. To present the consolidated accounts and to present the consolidated profit and loss statement and the consolidated balance sheet.
6. To determine the remuneration payable to the directors and to the auditors.
7. To elect members of the Board and Deputy Auditors.
8. To resolve on a proposal by the Board to increase the authorised capital of the Company by 100 million Danish Kroner.
9. To discharge the Members of the Board and the Auditors from liability.
10. To determine the appropriation of the profits, provided the Balance Sheet is approved.
11. To fix the date of payment of the dividend.
12. To determine the number of Members to be elected to the Board.
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16. To discharge the Members of the Board and the Auditors from liability.
17. To fix the date of record for the Bonus of Shareholders.
18. To decide on any other business which may come before the Meeting.

LEGAL NOTICES

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 14th day of April, 1982, to send in their full and true statements, full particulars of their debts or claims, and the names and addresses of their solicitors (if any), to the undersigned, Patrick Granville White, Liquidator, at the address specified below, at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such date as is provided in the notice.

Dated at London this 2nd day of March 1982.

PATRICK GRANVILLE WHITE, Liquidator.

DAVIES & METCALFE PLC

NOTICE IS HEREBY GIVEN that the TRANSFER BOOKS of the Company will be CLOSED from 19 April 1982 to 23 April 1982, both dates inclusive.

By Order of the Board,
R. ALLEN Secretary.

ANNOUNCEMENT

STEWART & HUGHMAN LIMITED, General Insurance (Underwriting Agency) Limited, following the acquisition of 100% of the shares of Stewart & Hughman (Underwriting Agency) Limited, from Stewart & Hughman Limited, and Stewart & Hughman (Underwriting Agency) Limited, Mr. S. A. Stewart and Mr. G. Hughman have been appointed to the Board of Directors of Stewart & Hughman (Underwriting Agency) Limited.

At a meeting of the Board of Directors of Stewart & Hughman (Underwriting Agency) Limited, held on 23rd March 1982, Mr. S. A. Stewart and Mr. G. Hughman were appointed to the Board of Directors of Stewart & Hughman (Underwriting Agency) Limited.

PUBLIC NOTICE

BIRMINGHAM COUNCIL BILLS
£13.5m 91-000 Bill under the Local Government Finance Act 1982. Applications received 2,376. Estimated accepted price £13.5m. Estimated outstanding price £13.5m. Total Bills outstanding £13.5m.

Compulsory registration of data banks planned

BY GUY DE JONQUIERES

THE Government announced plans yesterday to introduce compulsory registration of public and private computer installations which store and process personal information about individuals.

An independent registrar would be appointed to administer the system, which would be intended to prevent infringements of privacy through the misuse of computer data. His decisions would be subject to appeal before a special tribunal.

The Government's long-awaited proposals, published in a Home Office White Paper, are designed to bring Britain into line with recent international agreements on data protection.

The Home Office said yesterday that the necessary legislation would be introduced "as soon as practicable." It would take as long as two years to complete the registration of computer systems.

Under the proposals, a public register would be established listing computer systems which process name-linked, personal information. Individuals would be entitled, on payment of an unexpired fee, to gain access to data concerning them.

However, information related to national security would be exempted from the legislation, as would certain types of data kept by police and law enforcement agencies in connection with the prevention and detection of crime.

A registrar would be appointed with a staff of about 20, including computer experts. He would be independent of the Government and would report annually to Parliament. His decisions could be reviewed by an independent tribunal, whose chairman would be appointed by the Lord Chancellor.

The Government envisaged that most such offences would be subject to civil law, but it would be prepared to consider criminal penalties. Data users would be required to observe a number of general principles to be embodied in the legislation. These would govern the nature of personal information stored, the purposes for which it is processed and the way in which it is put.

The Home Office said more detailed regulations would probably be needed to safeguard certain types of personal information, such as medical records. However, the White Paper rejects as impractical the idea of establishing formal codes of conduct which would stipulate how the general principles should be applied in practice. This was recommended by the Lindop Committee on Data Protection, which reported in 1978.

This is the second White Paper to be published on data protection. The first was issued in 1975, but in spite of pressure from the Lindop Committee no legislation was introduced.

Since then the Council of Europe has prepared a convention on data protection and the Organisation for Economic Co-operation and Development has published guidelines on privacy and trans-border data flows.

Eleven countries, including Britain, have signed the Council of Europe convention, but none has yet ratified it.

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THE Appeal Court has said that the DPP should investigate Clore tax case. The court held that the Revenue should ask the Director of Public Prosecutions to investigate the Revenue's alleged appointment of a receiver of the UK assets of Stype Investments (Jersey), which had "siphoned" £20.5m proceeds of sale of Sir Charles's largest English asset, shortly after his death in 1979.

There was a grave possibility the object of getting the money to Jersey had been to evade tax, the judges said.

Stype, owned by a Jersey settlor, set up by Sir Charles, is believed to have assets worth about £28m in England, frozen by court order.

Its directors are Sir Charles's executors — a French lawyer, a Swiss banker and an Israeli accountant, and the Jersey manager of Lloyds Bank Trust Company (Chamell Island), which holds all but one of the company's 100,000 issued shares for the settlement.

Sir Charles's worldwide assets are estimated at about £40m, of which only about £4m remains in England. The Revenue estimates that between £29m and £30m is due from the estate in income tax, capital gains tax and capital transfer tax.

The court allowed the Revenue's appeal against a High Court judge's refusal to let it serve legal proceedings on Stype in Jersey, outside jurisdiction of English courts.

The Revenue want Stype ordered to deliver estate accounts and pay about £12m capital transfer tax on the £20.5m sale proceeds of Sir Charles's Jersey estate.

That property had been sold to Prudential Assurance Company which, on Stype's instructions, transferred the purchase money to Jersey.

The court dismissed the executors' appeal against a High Court ruling appointing the Official Solicitor as temporary administrator of the Clore estate. The judges said the executors' appeal was "a sinister and time-wasting exercise."

Delivering judgment Lord Justice Templeman said that in the 12 months before his death Sir Charles had been transferring property out of England to avoid the onerous burden of English taxes.

His death had been unexpected and had certainly been untimely as far as tax avoidance was concerned. His executors must have been acutely conscious of difficulties his death caused but there was no evidence they sought English legal advice.

The judges held that the Guy's Estate proceeds were part of Sir Charles's English assets and should be subject to English tax. They belonged to Sir Charles's personal representatives in England and to nobody else.

By procuring the money's payment to Jersey, Stype transferred the right to the proceeds from English to Jersey personal representatives. If that were not the case the company would have no difficulty in transferring the £20.5m back to England, where it belonged. Stype had "inter-meddled" unlawfully

British Gas to undergo efficiency audit

By Martin Dickson, Energy Correspondent

INDEPENDENT management consultants are to carry out an efficiency audit of the British Gas Corporation as part of the Government's drive to improve surveillance of the nationalised industries.

The consultants, who have yet to be selected, will be jointly commissioned by the Department of Energy and British Gas. The Government announced yesterday.

The move is part of the Government's policy that all nationalised industries should be subjected to an efficiency audit at least every four years.

The audits are generally carried out by the Monopolies and Mergers Commission; but Mr Nicholas Ridley, Financial Secretary to the Treasury, said last November that outside management consultants might be used, as they were in the private sector.

This is the first time independent consultants are being called in. They are expected to be appointed by August and to complete their study by the end of the year.

British Gas is one of the most profitable nationalised industries. It is estimated to have made a current cost-account operating profit of around £300m in the financial year just ended — after the Government had creamed off some £400m in an excess profits levy.

British Gas has set up separately two internal efficiency study units which will report to non-executive members of the board on the performance of individual parts of the corporation.

The Monopolies Commission has been asked by the Government to carry out audits of seven nationalised industries over the coming year.

The most important of these is the National Coal Board audit. The inquiry will look at the NCB's efficiency and costs, including internal cost control, purchasing policies and appraisal and control of investment projects.

Other investigations are into the sewage services of the Anglian and North West Water Boards, the Civil Aviation Authority, the Yorkshire Electricity Board, the South Wales Electricity Board and Caledonian MacBrayne, part of the Scottish public transport sector.

The Monopolies Commission has already investigated the Central Electricity Generating Board, British Rail's south-eastern commuter services and the Severn-Trent Water Authority.

Alongside the efficiency audit, the Treasury is setting up a new public enterprise analytic unit to monitor the performance of the nationalised industries.

Appeal Court says DPP 'should investigate Clore tax case'

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THERE MAY have been a criminal conspiracy to defraud the Inland Revenue of tax due on the estate of Sir Charles Clore, three Appeal Court judges said yesterday.

"This court feels very strongly that the Revenue should ask the Director of Public Prosecutions to investigate the Revenue's alleged appointment of a receiver of the UK assets of Stype Investments (Jersey), which had 'siphoned' £20.5m proceeds of sale of Sir Charles's largest English asset, shortly after his death in 1979.

There was a grave possibility the object of getting the money to Jersey had been to evade tax, the judges said.

Stype, owned by a Jersey settlor, set up by Sir Charles, is believed to have assets worth about £28m in England, frozen by court order.

Its directors are Sir Charles's executors — a French lawyer, a Swiss banker and an Israeli accountant, and the Jersey manager of Lloyds Bank Trust Company (Chamell Island), which holds all but one of the company's 100,000 issued shares for the settlement.

Sir Charles's worldwide assets are estimated at about £40m, of which only about £4m remains in England. The Revenue estimates that between £29m and £30m is due from the estate in income tax, capital gains tax and capital transfer tax.

The court allowed the Revenue's appeal against a High Court judge's refusal to let it serve legal proceedings on Stype in Jersey, outside jurisdiction of English courts.

The Revenue want Stype ordered to deliver estate accounts and pay about £12m capital transfer tax on the £20.5m sale proceeds of Sir Charles's Jersey estate.

That property had been sold to Prudential Assurance Company which, on Stype's instructions, transferred the purchase money to Jersey.

The court dismissed the executors' appeal against a High Court ruling appointing the Official Solicitor as temporary administrator of the Clore estate. The judges said the executors' appeal was "a sinister and time-wasting exercise."

Delivering judgment Lord Justice Templeman said that in the 12 months before his death Sir Charles had been transferring property out of England to avoid the onerous burden of English taxes.

His death had been unexpected and had certainly been untimely as far as tax avoidance was concerned. His executors must have been acutely conscious of difficulties his death caused but there was no evidence they sought English legal advice.

The judges held that the Guy's Estate proceeds were part of Sir Charles's English assets and should be subject to English tax. They belonged to Sir Charles's personal representatives in England and to nobody else.

By procuring the money's payment to Jersey, Stype transferred the right to the proceeds from English to Jersey personal representatives. If that were not the case the company would have no difficulty in transferring the £20.5m back to England, where it belonged. Stype had "inter-meddled" unlawfully

Sales of commercial vehicles recovering

BY JOHN GRIFFITHS

THERE ARE stronger signs that the long depressed UK commercial vehicle market is recovering.

Society of Motor Manufacturers and Traders statistics show that sales rose by 6.3 per cent in March to 21,575 compared with the same month a year earlier. First quarter sales, at 58,819, show a 7.6 per cent improvement on the 1981 period.

The biggest improvement is in the sector hitherto hardest hit by the recession: trucks of more than 3.5 tons.

Sales in this area improved in March by 19.6 per cent to reach 5,269, compared with 4,421 in March last year. However, the benefit has been mainly to importers, whose share of the heavy truck market rose sharply from 20.4 per cent to 25.5 per cent.

For the first quarter the heavy sector is running 3.6 per cent ahead of last year. But the imports gain during the period is even more substantial — from 20.8 to 30.1 per cent.

Sales of car-derived vans were 5.5 per cent up in March at 6,636 but are showing a slight drop at 16,043 for the quarter. Sales of medium vans and trucks were up by 3.1 per cent to 8,321 in March and are running at 19 per cent for the quarter, mainly as a result of a January sales drive for Ford Transits.

March also provided a major success for Ford. It achieved more than a third of each market sector, the first time for any manufacturer.

Its Escort and Fiesta vans took 39.6 per cent of the car-derived market; the Transit 35 per cent of medium vans — more than BL, Bedford and Dodge combined — while its A-Series, Cargo and Transcontinental heavy trucks took 33.5 per cent. The Cargo on its own took 29.5 per cent, more than the Bedford (14.9 per cent) and Leyland Vehicles (8.9 per cent) shares combined.

Total imports in March rose from 28.7 per cent to 29.1 per cent, and in the first quarter from 28.9 per cent to 30.9 per cent.

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Vauxhall-Opel wins 10.8% market share

BY JOHN GRIFFITHS

VAUXHALL-OPEL had its highest first quarter share of the UK new car market for five years, according to statistics published yesterday by the Society of Motor Manufacturers and Traders.

Unit sales totalled 44,400, a 23 per cent increase over the first quarter of 1981, giving the company a 10.8 per cent market share. This compares with total first quarter sales of 412,912, 1.8 per cent down on the same period last year.

The Ford drive was believed largely responsible for a jump in total March sales, to 175,169 from 161,530 last year — an 8.4 per cent increase. Ford achieved its best-ever performance in Europe overall in March, its 162,700 sales representing 14.7 per cent of the market.

BL's share was 16.43 per cent in March, displaced by the company to be "disappointing." It said the Ford push was largely responsible, but its first quarter sales of 16.65 per cent are now running about 3 per cent below the 1982 target. Despite this, it got four models in the top 10 and has yet to feel the full benefit of its new Ambassador model launched at the start of the month.

Talbot's share fell slightly in

March compared with the same period last year, to 3.88 per cent from 4.11 per cent, despite the launch of its new small hatchback, the Samba, which took 0.88 per cent of sales.

However, Talbot said yesterday that orders for the Samba had far outstripped supply. Production at the plant in Poissy, France, has been raised from 450 a day to 650. It forecasts that this month Samba's share will be 2 per cent or more and lift its total market share back towards 5 per cent.

Datsun returned to the top of the list of traditional importers, taking a 5.04 per cent share in March and 5.38 per cent for the quarter. Japanese imports overall in the first quarter are running at 11.10 per cent, a fraction more than the ceiling of the Anglo-Japanese prudent marking agreement.

VAG (VW-Audi) was demoted to second place, but still ahead of Renault, whose 9 model was launched earlier this month. Renault hopes the model will capture 23,000 extra sales this year.

The rapid rise of Volvo continues. Its March sales of 6,318 units were another record, giving it 3.5 per cent and 3.8 per cent for the first quarter, when sales hit 14,843 — 29 per cent up on last year.

Vauxhall's continuing high imports from the Continent to meet demand for its Cavalier contributed to the further rise of total imports. They stood at 56.4 per cent in March (53.6) and 57.5 per cent (53.4) in the first quarter.

Top 10 sellers in March were: Ford Cortina 23,167, Fiesta 20,983, Escort 20,550, Austin Metro 11,318, Vauxhall Cavalier 8,955, Triumph Acclaim 4,305, Volvo 300 3,523, Vauxhall Astra 3,136, Austin Ambassador/Princess 2,976, Rover 2,737.

	1982		1981		Three months ended March	
	1982	%	1981	%	1982	1981
Total UK produced	76,384	43.61	74,799	46.37	175,391	42.48
Total imports	99,795	56.39	84,631	53.43	227,521	57.52
Total market	175,169	100.00	161,530	100.00	412,912	100.00
Ford*	68,524	39.12	46,451	28.76	139,544	33.80
BL*	28,776	16.43	37,278	23.08	68,758	16.65
General Motors						
Vauxhall†	14,088	8.04	12,488	7.73	41,480	10.04
Opel	596		3,010		2,926	0.72
Other GM	62		46		141	0.34
Total GM	14,746	8.42	15,544	9.62	44,549	10.79
Peugeot Group						
Talbot	4,773	3.86	6,638	4.11	14,498	3.56
Citroen	2,402		3,468		6,447	1.56
Peugeot	2,596		1,715		6,101	1.48
Total Peugeot	11,771	6.72	11,821	7.32	27,446	6.65
Datsun	6,228	5.04	9,752	6.04	22,202	5.38
VAG (VW-Audi)	7,561	4.32	7,158	4.43	23,953	5.80
Renault	7,231	4.13	8,922	5.52	18,440	4.47
Volvo	6,138	3.50	4,182	2.59	14,843	3.59
Fiat-Lancia	5,049	2.88	5,093	3.15	12,862	3.14
Others	1,311		1,311		3,311	0.80

* Includes cars from companies' Continental associates which are not included in the total UK figure.
† Includes imports from all sources including cars from Continental associates of UK companies.
Source: Society of Motor Manufacturers and Traders

UK NEWS - LABOUR

Tebbit says strike calls are being ignored

By Brian Groom, Labour Staff
STRIKE CALLS are being ignored and "wreckers" isolated as part of a profound change of attitude at the shopfloor, Mr Norman Tebbit, the Employment Secretary, claimed yesterday.

TUC health unions plan stoppage

BY DAVID GOODHART, LABOUR STAFF
ALL TUC unions in the health service are to stop work for one hour on the afternoon of Wednesday, April 14, in support of their joint 12 per cent pay claim.

Council faces action in refuse service row

By Brian Groom, Labour Staff
TORY-CONTROLLED Wandsworth Council's 6,000 workers have threatened industrial action in a row over proposals to allow private companies to collect refuse.

Unilever regroups Agribusiness firms

Businesses which previously reported individually to the former animal feeds co-ordinator of Unilever have been regrouped as Unilever Agribusiness Group - UK and Ireland.

Crane drivers join port dispute

BY DAVID GOODHART, LABOUR STAFF
THE PORT of Southampton - which has been working normally since January after a four-month dispute - is facing more trouble.

Tube train workers offered 5%

By David Goodhart, Labour Staff
THE LONDON Transport executive has offered a 5 per cent pay increase to unions representing its 15,000 Underground train workers.

Massey sit-in hearing delay

STRIKERS occupying Massey-Ferguson's Coventry tractor plant in protest against 750 redundancies were given a breathing space against possible eviction yesterday.

Lucas plant day shift hit

BY LORNE BARLING
DAY SHIFT work at the Lucas Electrical starter motor plant in Birmingham has been halted by a strike of about 600 workers over the company's refusal to pay wages to a group involved in a stoppage earlier this week.

Call to Legal & General staff

By Our Labour Staff
LEGAL & GENERAL staff are being asked to support industrial action if the insurance company refuses to increase a "final" pay package which union officials claim is worth less than 11 per cent overall.

John R. C. Groom

Mr John R. C. Groom has been appointed assistant regional director at MIDLAND BANK's regional head office, City and London east region.

Gold Fields Group logo and title

DOORFONTEIN GOLD MINING COMPANY LIMITED financial statements

DRIEFONTEIN CONSOLIDATED LIMITED financial statements

DEELKRAAL GOLD MINING COMPANY LIMITED financial statements

KLOOF GOLD MINING COMPANY LIMITED financial statements

LIBANON GOLD MINING COMPANY LIMITED financial statements

WALDFONTEIN GOLD MINING COMPANY LIMITED financial statements

WALDFONTEIN GOLD MINING COMPANY LIMITED financial statements

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Callaghan broadside on Falklands stuns Tories

BY IVOR OWEN

SHAKEN Government supporters listened in stunned silence in the Commons last night as Mr James Callaghan, the former Labour premier, challenged the ability of Mrs Margaret Thatcher to exercise the authority of her office as Prime Minister in view of the blunders which led to Argentina's invasion of the Falkland Islands.

In a devastating speech from the Labour back benches he suggested that Mrs Thatcher should call upon a senior Conservative Privy Counsellor—most MPs seemed to think he had Mr Edward Heath in mind—to head a high-powered inner-Cabinet charged with the specific task of co-ordinating the high level diplomatic and naval and military initiatives now required.

Mr Callaghan accused the Prime Minister of having committed a "gross blunder" in misjudging the necessary reaction to intelligence reports that Argentina was planning to invade the islands.

While accepting that it was in the national interest for MPs to display their united resolve to secure the return of the islands Mr Callaghan insisted: "I also feel it is the responsibility of this House to declare its judgment on those who sit on the Government front bench."

As the Prime Minister sat grim faced her predecessor in office declared: "I say to her there cannot be business as usual."

Calling for the appointment of an inner-Cabinet Mr Callaghan maintained that the Government did not have the experience to handle the grave issues at stake.

Mr Heath sat impassive and silent as Mr Callaghan, without mentioning any names, suggested that there were several senior Tory Privy Counsellors whom the Prime Minister should now invite to take up senior positions in the Government.

Mr Callaghan deepened the gloom on the Government benches with a penetrating analysis of the events leading up to the seizure of the islands, and an exposure of confusion among senior ministers over the objectives of the naval task force sent to the South Atlantic.

The former Labour leader seized on a key phrase used by Mr Francis Pym in his first speech as Foreign Secretary, in which he spoke of the Government's intention to return the islands to "British administration" at the earliest possible moment.

Mr Callaghan's demand that the Government should make it clear whether it equated "British administration" with "British sovereignty" was rebuffed by Mr Pym and twice brought the Prime Minister to her feet—she had not intended to speak in the debate—in unsuccessful attempts to clarify the issue.

Mr Pym explained that in



James Callaghan: Conservative Privy Counsellors should take responsibility for crisis management

He insisted: "I believe the House wants to know what is our objective in this particular matter on which we have set the Royal Navy."

Mrs Thatcher then gave an assurance that the wishes of the islanders "must be paramount."

Mr Callaghan persisted in his view that the House had not been given a satisfactory explanation, and highlighted the Prime Minister's uncertainty by commenting on the efforts being made by Tory MPs to throw a protective cloak around her.

Mr Pym opened the debate with an appeal to MPs to shelve their criticisms of the Government's handling of the events which led up to the invasion and to unite behind the objective of securing their freedom from occupation at the earliest possible moment.

"To do this we must look forward in confidence and not backwards in anger," he declared.

The Government's purpose, he said, was to restore the rights of the islanders, who had been the victims of the "unprincipled opportunism of a morally bankrupt regime."

Mr Pym said the Government was confident that the task force despatched to the South Atlantic was fully adequate for any action that might be required in exercise of Britain's undoubted right of self-defence under the United Nations charter.

Emphasising the important role the task force was expected to play in backing diplomatic initiatives he said: "It gives us the strength from which to urge a settlement, and in the end it may only be strength that the regime in Argentina will understand."

Mr Pym assured MPs that the maximum diplomatic effort would be made during the period before the task force reached the South Atlantic.

"We would much prefer a peaceful settlement," he stressed. "We will do all we can to get one."

Mr Pym emphasised that Britain would welcome support from all friendly countries to achieve a peaceful outcome.

"The House and the country



David Steel



Denis Healey

thought and action to a Prime Minister who had demonstrated so monumentally a lack of judgment.

But Mr Healey promised that the Opposition would observe its duty to the nation.

"We shall fulfil it as Mr Foot did in Saturday's debate when he spoke for Britain as a whole and was praised for doing so by nearly every speaker from the Conservative benches."

Mr Healey's emphasis on the need to pursue a diplomatic solution aroused the suspicions of Tory back benchers and brought a challenging question from his own side of the House.

Mr Robert Mellish (Lab, Bermondsey)—the party's former Chief Whip—wanted to know what would happen if a diplomatic solution had not been achieved by the time the naval task force reached its destination.

"Are you then saying we should turn round and go home?" Mr Healey did not respond.

Government supporters stirred uneasily when Mr John Peyton (Con, Yeovil) dwelt on the formidable difficulties facing the nation in recovering from a situation which had been the cause of "scrow, shame and anger."

He insisted that it was the duty of the House to take account of the mounting and growing dangers associated with the freeing of the Falkland Islands.

Mr David Steel, the Liberal leader, said his party was supporting the Government "with the aim of safeguarding the rights and freedoms" of the 1,800 British citizens of the Falkland Islands. But he made it clear that the Liberals' support was not unconditional.

Our objective, he said, "must not be to have a bloody battle over the recovery of imperial territory" much of which might be destroyed in the process.

Britain's responsibility, he stressed, was to the people of the Falkland Islands not to "an isolated territory."

Mr Steel, who began his speech by paying tributes to Lord Carrington, said that in the long



James Callaghan: Conservative Privy Counsellors should take responsibility for crisis management

Commons Sketch

Withering fire rakes Thatcher front bench

AFTER a couple of years in mothballs, that old dreadnought James Callaghan came sailing back into action yesterday raking Mrs Thatcher and the Government front bench with a withering fire.

The former Labour Prime Minister who rose from the lower deck to become a commissioned officer in the Navy, seized on a weak spot in the Government's defences in the opening stages of the Falklands debate.

Mr Francis Pym, in his first speech as the new Foreign Secretary, declared: "We intend to see that the Falkland Islands are freed from occupation and returned to British administration at the earliest possible moment."

This apparently innocuous phrase turned out to be a dangerous mine which blew up under the Prime Minister and Mr Pym with shattering effect.

Mr Callaghan wanted to know why the Government was now talking about restoring "British administration" rather than British sovereignty.

He noted that the Prime Minister had used the same phrase on Saturday and he suggested that she or the Foreign Secretary should clarify the position immediately.

With some hesitation Mr Pym rose and said that he was quoting the phrase "administration" which the Prime Minister had used advisedly. Rather lamely he admitted that after only two days in his job he was not competent to make a precise definition, although the signals between Mrs Thatcher and the Foreign Secretary seemed to be getting a bit muddled up.

The Prime Minister could be overheard muttering "sovereignty, sovereignty."

But when she was goaded by Mr Callaghan into making a personal intervention she merely reiterated that Britain still had rightful sovereignty over the Falklands and failed to clarify the objective of the naval task force was to get that sovereignty back.

Mrs Thatcher leaving No 10 for the Commons yesterday using the term "British administration" he had been quoting from the speech made by the Prime Minister in last Saturday's emergency debate.

He suggested that the term had been used "advisedly," and acknowledging the fact that he took charge of the Foreign Office only 48 hours earlier added: "Within two days I am not competent to make a precise definition of any difference there may be."

The Foreign Secretary's ambiguous response—made after he had been enthusiastically cheered by Tory MPs for an impressive first speech as Foreign Secretary, plunged the Government's supporters into deeper gloom.

After further questions from Mr Callaghan Mrs Thatcher intervened to insist that despite Argentina's invasion she still regarded the Falkland Islands as sovereign British territory.

Mr Callaghan argued that she had not faced up to the implication that the concept of "British administration" was consistent with ceding sovereignty as part of a "lease back" deal. Such a deal had already been rejected by the islanders.

should be in no doubt about that. But if our efforts fail the Argentine regime will know what to expect—Britain does not appease dictators."

Mr Pym underlined the fact that Britain had immediately accepted the injunction to seek a diplomatic solution contained in the resolution approved by the United Nations Security Council.

He appealed to world opinion to bring Argentina to acceptance of the fact that the resolution was mandatory and binding in international law.

Highlighting the role of the international community in upholding the principle of self-determination he said it was the Falkland Islanders who being deprived of their right to live in accordance with their wishes.

To cheers from both sides of the House Mr Pym warned: "If the world does not oblige Argentina to restore their rights, tomorrow, it will be someone else's turn to suffer aggression and occupation."

"The world will become an even more dangerous place."

While reaffirming that the Government's objective was to liberate the islands Mr Pym told MPs that it would be a "far from easy" task.

Mr Denis Healey, Labour's shadow Foreign Secretary, congratulated Mr Pym on his vigour of his first speech as Foreign Secretary with an oblique forecast that he might soon be replacing Mrs Thatcher as Prime Minister.

Each of us may have his own views on how long Mr Pym will hold his new office and where he will go when he leaves it."

Mr Healey said he was puzzled by the way in which the Prime Minister could applaud the sense of honour which had led Lord Carrington to resign from his post as Foreign Secretary and yet remain oblivious to the fact that honour required that she should take the same course.

Mr Healey contended that the Government's actions over recent months had amounted to an open invitation to Argentina to invade the Falkland Islands.

To Labour cheers he declared: "If any British Government had behaved in this way on a vital British interest 200 years ago the Prime Minister would have been impeached."

Pointing an accusing finger at Mrs Thatcher he stormed: "She has chosen to stay, but from this moment on she has no moral or political right to ask the Opposition to give her a blank cheque."

Mr Healey claimed that in the current situation no responsible Opposition could be expected to surrender its freedom of

carefully garnered for the UN Security Council vote. The Security Council, while ready to support Britain in condemning Argentina, was unlikely to support it in a counter attack.

In particular, Britain should not count on the support of the United States in such a venture, he warned.

"President Reagan will be bitterly hostile to any act of war against Argentina because his power rests on the rotten military dictatorship of Latin America," he said.

The U.S., possessor of the biggest arsenal in the world,

islands, or whether any sovereignty acceptable to the islanders would be acceptable to Britain.

The House had a right to know what the task force was being sent to do, and whether there was any possibility of the policy called on to attack mainland Argentina, a possibility not excluded by the Defence Secretary, Mr Nott, in a weekend television interview.

He called on the Prime Minister to assure the House that none of the fleet carried nuclear missiles, whether or not it was intended to use them.

"The Government could be involving the country in a major war," he added.

The over-riding priority should be given to protecting the islanders, who should be evacuated and resettled, or offered the protection of a UN peace-keeping force while a local administration was set up which could protect them.

If they were threatened with the possibility of British armed forces landing to rescue them, there might be no islanders left to consult on what sort of future they wanted, he said.

term the Government must look for some "realistic" solution to the problem of the Falkland Islands.

Once the islands had been returned to British control, the Government would be, he said, right to discuss quite openly the questions of either making the islands into some kind of condominium, or arranging a sale and lease back deal with the Argentines.

Mr Richard Luce, the former Foreign Office Minister of State who resigned over the crisis, said he approached the debate "with the greatest humility."

But he insisted that only hindsight showed that the handling of events leading up to the invasion was wrong.

"I can only say, irrespective of whatever judgments will be made by the country—and the country is entitled to make them—I do not see in the circumstances of the time that my friends and I would have made any different decisions. I have to say this in all honesty."

With the support of all parties in the House, and with the support of the country, the Government had to secure the withdrawal of the Argentines and "the restoration of the right of the islanders to choose their own way of life and allegiance."

Dr David Owen (SDP, Plymouth Devonport) launched a stinging attack on Mr Tony Benn, accusing him of shrugging off the responsibility for decisions taken by the Government of which he had been a member.

Mr Benn had fully supported the Callaghan Government's decision to send ships to the Falklands area in 1977, and had accepted that this was necessary, in order for Britain to negotiate from a position of strength.

Dr Owen challenged Mr Benn to explain why he found this argument so indefensible now, when he had supported it on an occasion when it had been vindicated by events.

Benn's recall fleet call embarrasses Opposition leaders

MR TONY BENN (Lab Bristol South East) called for the immediate recall of the task force. British servicemen were being put at unjustifiable risk in an exercise whose risks greatly exceeded any advantage which might be gained, he said.

Labour's front bench sat in embarrassed silence while Mr Benn repeated the arguments which the Labour Party has already rejected at meetings throughout the week.

He said Britain, in preparing a counter attack on the Argentine forces, stood to lose the international support so

carefully garnered for the UN Security Council vote. The Security Council, while ready to support Britain in condemning Argentina, was unlikely to support it in a counter attack.

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The U.S., possessor of the biggest arsenal in the world,

Anxious days at the Foreign Office

BY DAVID TONGE, DIPLOMATIC CORRESPONDENT

THESE ARE anxious days for the Foreign Office.

The sadness over Lord Carrington's resignation persists. It hung like a cloud over the party he gave on Monday to introduce his successor, Mr Francis Pym. It continues today.

Even the most hardened of Britain's world-weary diplomats had been won over by his foppish wit and quick eye.

"He was good, possibly great," says one of the men close to him during the past three years. "He gave Britain credibility; the world's leaders wanted to see him," says another. But already the period of mourning is drawing to an end.

Now the copies of outgoing telegrams reaching their desks carry the signature of the man who was tipped to become Foreign Secretary when Mrs Margaret Thatcher was putting together her first Cabinet three years ago.

At that time many British diplomats viewed with dread the prospect that Mr Pym might be put over them. Yesterday, however, they were arguing that his stature in parliament and his lack of any presumed "skeleton in the cupboard" made him a crucial asset for the Foreign Office, especially now that many of its members are deeply disturbed at the public tone being adopted by Mrs Thatcher.

Where the past is concerned, many diplomats will admit that

misjudgments were made, but question how far either the Foreign Office or Lord Carrington has to apologise for these. They point out that Mrs Thatcher was brought into the picture only a little after the Foreign Office was alerted to the dangers developing over the Falkland Islands.

There is, indeed, some rancour in the grand imperial buildings constructed by Palmerston and opened by Disraeli at the Prime Minister's allowing Lord Carrington to carry the can.

However, the Foreign Office also knows that it is on trial. The opprobrium in some sections of the Press causes one department head to predict: "the hyenas will bark for a couple of weeks." More important are the anger across the road at Number 10 and the plans for a Commons committee investigation, which compound the urgency of the task of the special team drafted to handle the Falklands crisis from the rooms kept for such emergencies.

At the same time, the Foreign Office has other problems. It has seen its Cabinet posts reduced from two to one. It has lost a man whose views on foreign affairs were listened to with general respect for one who, however respected himself, now has to work to justify the views of his department.

Perhaps less crucial, it is changing its top civil servant on Good Friday when Sir

Michael Fallick, Permanent Under-Secretary, retires on reaching the age of 60. He is respectfully described by one of his colleagues as having acted "like a cruising shark in the fish tank of Whitehall."

His seven years at the head of the Foreign Office meant that he had almost unparalleled experience in the shadowy committees which can often make or break policy.

But his successor, Sir Antony Acland, also has Whitehall experience because of his previous posts such as private secretary to Lord Howe when he was Foreign Secretary, and Deputy Under-Secretary dealing with defence and intelligence.

In recent weeks he has been travelling the Whitehall circuit in "dual drive" with Sir Michael.

All these changes add up to the biggest upheaval for the Foreign Office since Suez. The official line of Mr Pym has been to emphasise the continuity of policy—and in most areas such as the Middle East or EEC or East-West relations there are expected to be few major changes from the line articulated by Lord Carrington.

Yesterday, however, few of Britain's diplomats had time to speculate on future policy or anguish over the past. Certainly their morale has been hit, but few were able to lick their wounds.



Lord Carrington: departed master

Lords told Government 'mistaken'

Financial Times Reporter

THE GOVERNMENT was mistaken about the signs of Argentine moves against the Falkland Islands, Lord Belstead, the newly appointed Foreign Office Minister of State told the Lords yesterday.

"The evidence available to us shows that the Argentine regime took the decision to invade no earlier than March 20 and possibly as late as the 31st," he said.

"Evidence before that time was to some extent contradictory and in our assessment pointed the other way."

"It is true, in the event, we were mistaken but so were other countries."

Lord Belstead was replying to Lord Peart, Opposition leader in the Lords, who had asked for a statement because the peers were due to break for the Easter recess.

Lord Peart asked if there was any chance of armed conflict while parliament was in recess, and if so, would the House be recalled?

Lord Belstead said it was well-known how long the task force would take to get there.

"I think conclusions can be drawn as to the likelihood and possibility of a confrontation before the House meets again," he added.

Lord Peart had also asked for an assurance that there would be no solution without the Falklands being free.

The Minister replied that a combination of diplomatic, economic and military pressures was being brought to bear, working in the general context of the UN Security Council resolution.

In his statement Lord Belstead said: "The Government is energetically pursuing its efforts to return the Falkland Islands to British administration as soon as possible."

"We are bringing a combination of diplomatic, economic and military pressures to bear. Our naval task force gives us the strength from which to urge a settlement."

Britain had urged other countries to take parallel action to bring pressure on Argentina.

"Argentina must be in no doubt about our determination to put an end to the occupation of the Falkland Islands," Lord Belstead said.

Labour may support the use of force

BY MARGARET VAN HATTEM, POLITICAL STAFF

THE LABOUR PARTY yesterday indicated that it may be prepared to support the Government in the use of force over the Falklands crisis. But it still insists it is not giving Mrs Thatcher a blank cheque.

Mr Michael Foot, the party leader, was warmly applauded at a meeting of the parliamentary Labour Party yesterday when he said that under certain circumstances the use of force might be necessary.

"I am not a pacifist, and I have always supported the UN," he said. "It was important that the UN should be involved in attempts to resolve the dispute, and that the Labour Party should fully support it. This might involve the use of force, and Labour should be prepared to support that, he said."

Mr Foot supported the Government's decision to send a naval task force to the area. To dissent from this decision was to play into the hands of General Galtieri and other like-minded dictators in the South American region, he said.

He urged the party to stand together in its response to the crisis. "The only thing that can rescue the Prime Minister now would be a divided Labour party," he said.

Mr Foot's stance, which was convincingly endorsed by the meeting, comes as a firm rebuke to Mr Tony Benn, who has argued strongly that the Government's response to the crisis is bound to end in disaster and that Labour should dissociate itself from the Government's course.

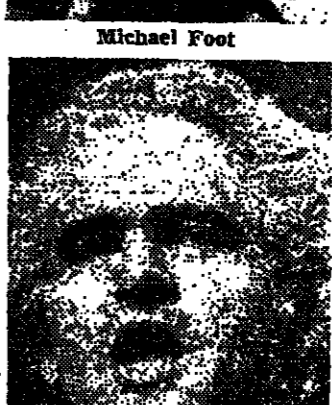
Mr Benn told the meeting that any military exercise in the Falklands are could only end in tragedy. Labour should not, ever by default, lend its support to a doomed enterprise. The taskforce should be recalled, he said.

Many Labour left wingers appear to endorse Mr Benn's analysis, but not his conclusions or his motives for speaking against Mr Foot's line.

It is suggested that in distancing himself from the official Labour line now, Mr Benn may be laying the ground for attacks on the Labour leadership later this year when the question of leadership elections resurfaces. This suspicion may have cost him the backing of several of



Michael Foot



Giles Radice

Contrast

The most stark contrast was between the impressive intervention of Mr Callaghan and the official Labour front bench speech from Mr Denis Healey, shadow Foreign Secretary.

Gone was the old content with a slow, halting delivery, he came close to arguing that it was OK for the task force to continue on its way to the Falklands, so long as it did nothing when it got there.

"I am trying to follow the logic of your argument," said Labour veteran Bob Mellish (Bermondsey) in great perplexity.

"So are we!" shouted Conservative MPs sympathetically. "Is your drink all right?" jeered a Tory back bench as Mr Healey sipped a glass of water.

Some more lively salvos quickly followed when Dr David Owen, the Social Democrat parliamentary leader, attacked Tony Benn, the Labour left winger.

Dr Owen reminded him that he had been a minister in the Labour Government which had sent warships to the Falklands.

Mr Dennis Skinner, the Bolsover battler, was warned by the Speaker that he would have to leave the Chamber if he persisted in interrupting the good doctor.

Tony Benn then had to run the gauntlet of Tory heckling as—in a coherently argued and forceful speech—he called for the British task force to turn back.

At the end of it all it was still not clear whether there will be an armed clash when the British task force reaches the Falklands. But at the moment, the shot and shell are certainly flying furiously at Westminster.

John Hat

National Bus set further target for cost cuts

FINANCIAL TIMES REPORTER

THE National Bus Company will have to cut its costs further under new financial targets outlined yesterday by Mr David Howell, Transport Secretary.

He said in the Commons he had agreed with the company that in 1982 it should aim for a further cut in operating costs of 11 per cent per vehicle mile in real terms.

The Government has already started the move towards privatising NBC through the Transport Bill now going through Parliament.

Mr Howell, answering a question from Mr Tim Brinton (Con, Gravesend) said the new

Ultimatum on transport for GLC from Howell

THE GOVERNMENT may step in if the GLC fails to produce a workable plan for running London Transport, Mr David Howell, Transport Secretary, said in the Commons yesterday.

"I put to the GLC the requirement that they produce a proper plan for the organisation of London Transport, using resources available in a way which achieves an efficient and good service for Londoners," he said at Question Time.

"If they are not able, or refuse, to fulfil their responsibility and put their house in order and proceed in a sensible way, it may be necessary for the Government to impose its own solutions," he said.

Mr John Hunt (Con, Ravensbourne) urged the Government to strip the GLC of its powers over London Transport.

"My constituents and many others in London are heartily sick of the antics of Mr Livingstone and Mr Wetzel," Mr Hunt said, referring to the GLC leader and the chairman of the council's transport committee.

"A new transport authority for London directly answerable to the Secretary of State is the only effective way of stopping the rate and fare payers in London being used as pawns in Labour's political game at County Hall," said Mr Hunt.

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TECHNOLOGY

EDITED BY ALAN CANE

Amdahl set for his biggest Irish computer gamble

BY GUY DE JONQUIERES

DR GENE AMDAHL has already secured his place in computer history as the pioneer of the flourishing plug-compatible mainframe (PCM) industry...

and he admits that the venture is fraught with risk. For this time he is taking on not just IBM but also Japan's aggressive PCM manufacturers...

has been exceptionally tight-lipped about the technical details of the project and the approach he intends to take to achieve the performance levels which he is aiming for...

IBM in its biggest computers. But Dr Amdahl has also been experimenting with liquid nitrogen cooling which, he claims, offers the prospect of extracting still higher operating speeds from his new chips.

provide greater channel flexibility. An other benefit which Dr Amdahl envisages will be the ability to equip the machine with a capacity to perform limited scientific processing.



Dr Gene Amdahl (right) at the ground-breaking ceremony earlier this week for the factory which Trilogi plans to build near Dublin. Mr Albert Reynolds, Ireland's Industry and Energy Minister, is wielding the spade.

Hint

His goal is to design, build and bring to market by late 1984 the world's most powerful commercial computer, operating at speeds more than double those of the biggest machines now available.

In practice, that means developing a processor able to handle at least 30M separate instructions per second—and Amdahl has hinted that he is aiming considerably higher.

His prime target, once again, is IBM. Though the giant of the industry has more and more been seeking to fill its PCM rivals by making the design of its computers harder to copy, Dr Amdahl is undeterred.

Indeed, a major feature planned for the new machine is a novel "flexible architecture" which, he says, can be adapted to accommodate any design changes which IBM is likely to introduce in the foreseeable future.

Some in the industry believe that he has set himself an impossibly short timescale.

Dr Amdahl stepped down as chairman of Amdahl Corp. in 1979 and about 18 months ago formed a new company, ACSYS, later re-christened Trilogi.

On the strength of his previous business track record and his brilliance as a circuit designer, he has been able to assemble \$160m in financing from a wide variety of sources.

As well as American investors, Trilogi's backers include CIP-Honeywell Bull of France (which has a 10 per cent interest), an Irish venture capital group and Ireland's Industrial Development Authority (IDA).

Support

Trilogi is developing its new computer in California but plans to make it at a plant to be built near Dublin with financial support from the IDA.

The reserved Dr Amdahl

He intends to gain higher operating speeds chiefly by using super-fast logic circuits of his own design. These will be based on Emitter Coupled Logic (ECL), now a mature bipolar technology.

But Dr Amdahl is counting on using the most advanced semiconductor etching equipment available (probably electron beam) to achieve a quantum leap in circuit integration.

Cooling

He aims to increase, "by more than an order of magnitude" (10 times) the number of circuits packed onto a single chip. Maximum density at present is about 500 circuits per chip.

Both the packaging and the cooling will be unique, he says. Because the new circuits will generate vast amounts of heat, it will not be practical to use the air-cooling system which he pioneered in Amdahl Corp's computers.

Instead, the Trilogi machine will, initially at least, be cooled by water—an approach also favoured by

The second novel design feature planned by Trilogi, flexible architecture, is the brainchild of Dr Amdahl's 30-year-old son, Carl, who has joined the company from Wagoner, a leading U.S. PCM manufacturer.

The key is a new form of microcode, the detailed operating instructions embedded in the heart of a computer which tell it how to perform its various functions.

Called "Epicode," the new code will be stored in main memory and will supplement microcode. Unlike microcode, it will not be a permanent and unalterable part of the machine.

Epicode will make our machine look compatible with the detailed architecture of an IBM machine," he says. "We can also make it look different. So we will be able to respond to design changes by IBM and, if we want to, make a Trilogi computer look like a Fujitsu or a Siemens machine."

Use of Epicode will, he claims, also increase substantially the new computer's memory addressing power—an important factor determining processing speed—and

Oddball

Dr Amdahl is confident that the need to keep its customers happy will prevent IBM from making any really dramatic product changes which could knock his own project off course.

Suppose IBM were to happen on the same type of computer design that Trilogi is now developing? "Ours is such an oddball approach," he says, "that it is almost certain that IBM would never think of it."

Blowing for energy in the Orkneys

BY ELAINE WILLIAMS

NEXT SPRING, Britain's first major project to assess the potential of wind energy will begin on a hill in the Orkneys. Construction of a 250 kW wind turbine generator—the largest ever built in the UK—has already begun by the Wind Energy Group which comprises British Aerospace, Taylor Woodrow Construction and GEC Energy Systems.

According to the Wind Energy group, the machine will be the first in the UK in recent times to be connected to an isolated diesel-electric grid system run by the North Scotland Hydro-electric board. With a power rating of 250 kW, it will be the most powerful turbine to be connected in such a way anywhere in the world.

It will have a synchronous generator, variable pitch rotor blade tips and will have the ability to operate at fixed or variable speeds.

In addition the rotor will be mounted to the main shaft using a telescoping hub. This reduces the forces on the blades and supporting structure especially under gusty wind conditions and cuts down the possibility of blades shearing off the machine—as happened with early forms of wind generators.

The 250 kW aerogenerator is 25 per cent funded by the Department of Energy and the total development and installation costs are likely to amount to £1m.

The 250 kW machine is the forerunner to a large 3 MW generator whose construction and design is to be funded totally by the Department of Energy. Estimated costs of the machine which will be operational in 1986 is around £5.2m.

Hotspot sensing device in kit form

HOTSPOT, a British designed heat sensing system for temperature ranges up to 125 deg C has been launched by Protection and Control Systems, 15-17 City Road, Finsbury Square, London (01-628 0338).

UK alone, up to 20 per cent of total power requirements could be met using aerogenerators. Dr Lindley says that scientists have visions of large wind generator farms sited in shallow waters around the coast.

The reality of such visions, however, depends on the Government's attitude to alternative energy in relation to nuclear power and the desire to lessen the UK's dependence on oil and fossil fuels.

Workers in the U.S., Sweden and West Germany are also well advanced on large scale wind power generators. Boeing in the U.S. already has a project running in Washington State using four large machines to generate 2.5 MW power. This \$42m project was totally funded by the U.S. Department of Energy.

Though countries such as Australia, New Zealand and islands in the Caribbean are keen to adopt wind power they are looking for well-proven machines which have shown themselves capable of thousands of hours of electricity generation.

Dr Lindley admits that few machines have operated more than 1,000 hours which is why the UK Government's support of wind power is so important in providing operating experience.

ASEA range of dc motors now available

A new generation of dc motors available from ASEA through for outputs between 5 and 105kW in two pole design for frame sizes 112 and 133 are now available from ASEA through Scandinaavian Marketing at Chislehurst, Kent. Full details on 01-930 5411.

Box oven

A BOX oven for laboratory use with 27 cu ft capacity, designed to offer temperature control and even heat distribution up to 250°C has been introduced by Mindon Engineering of Nottingham. Details on 0773 810034.

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ABBEY NATIONAL 1981 "Abbey National provided over one-fifth of building society lending on new houses."

Among the points made by the Chairman, Sir Campbell Adamson, at the Annual General Meeting of the Abbey National Building Society held on the 7th April 1982 were:-

Abbey Housing Association. "Throughout 1981, the Abbey Housing Association continued to develop subsidised property for rent and sale. The Tower Hamlets development is virtually complete and work has begun in Islington and Peterborough. Planned production for this year is in the region of 600 units. Building Societies are well suited to obtaining the confidence of the public as landlords in the same way that they have with their more traditional activities. Among our membership there are those who would view rented accommodation as fully meeting their long-term housing requirements, whereas, to others it may merely be a convenient stepping stone on the path to owner occupation. Whatever the reason we can help to fill a readily identifiable gap in the present housing stock."

Developments. "On 1st June, we propose to introduce a Home Income Plan, combining a mortgage and an annuity, to provide an income for life for elderly homeowners. These developments form part of a comprehensive plan to offer facilities for all housing needs from under the one roof. While continuing to improve our own procedures through, for example, committing ourselves to making mortgage offers ideally within 7 days and providing a Report on Condition and Valuation as a more complete alternative to the basic survey report. There are services normally within the scope of the professions in which our influence can beneficially be brought to bear. For example, it is overly cautious, not to mention more costly for the borrower, for a society to continue to call for an investigation of title, when a property is already in charge to it and the title has been previously investigated by a qualified solicitor. We now no longer require a full investigation in such circumstances. This, and the more simplified mortgage deeds we now use, will lead to significant reductions in the costs of legal services to Abbey National borrowers. The basic attitude we expect to all professional services is this. We shall continue to reduce the weight of clerical work normally done by the professions in conjunction with house purchase and sale and, where appropriate, take on the additional burden ourselves."

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International research and development. Solving problems for industry on a confidential basis. International Research & Development Co. Ltd. Fosseway, Newcastle upon Tyne NE8 2YD.

Temperature controlled oscillators. SEI HAS introduced a new series of temperature controlled quartz crystal oscillators intended for portable, high performance electronic equipment. The company claims that the QC series has been developed as an ultra-stable, low profile, range of oscillators, with low power consumption. Over a temperature range of -40°C to +85°C the frequency stability is ±0.5 ppm while consuming less than 4mA from supply. More information on 061 789 8081.

MSM to offer new grinders. MSM Machinery Centre of Norwich is to market a new range of CNC cylindrical grinders manufactured by Toyoda of Japan. Fourteen models, it is claimed, offer grinding centre ranges between 630 mm to 1,600 mm with over the table swing up to 400 mm. MSM is at Jarrold Way, Bowthorpe Industrial Estate, Norwich (0603 409757).

Time system. BLICK International Systems, Swindon, Wilts. (0793 27455) has launched its Time — on Line microprocessor controlled system to calculate hours worked by up to 2,000 employees. The system will handle 54 clocking terminals where employees record time worked by card or a coded badge.

Accountancy Appointments

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For full job description write in confidence to John Courtis, 78 Wigmore Street, London W1H 9DQ, showing clearly how you meet our client's requirements, quoting FT/7098. Both men and women may apply.

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Telephone: 01-555 3299.



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Our client is a major US conglomerate which manufactures, markets and distributes consumer products worldwide.

The Director of International Audit, based in London, W1, reporting ultimately to the U.S. Vice President of Finance, has considerable autonomy to initiate financial and operational audits within European subsidiaries. This policy has resulted in a significant contribution being made to overall efficiency and profitability.

Consequently, they seek an internationally-minded, qualified accountant (age 28-35) whose experience, personal qualities and communication skills will soon confirm their leadership of a high-powered professional team.

Salary indicator is £15-£17,000 plus car. Interested applicants should submit full career details quoting ref. 822 to Nigel Hopkins F.C.A. at 31, Southampton Row, London WC1B 5HY. Telephone 01-405-0442.



Michael Page Partnership
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U.S. Bank Experience

Credit Analyst

We wish to strengthen the team involved in marketing our Commercial Banking services in the U.K.

We are therefore seeking a person aged over 25 with at least 3 years credit analysis experience with a U.S. Bank, to provide support to our marketing team.

Salary is negotiable and other benefits include mortgage scheme, Pension and Life Assurance scheme, private medical cover, free staff restaurant, Season Ticket and Personal Loans.

Please write with details of your career to date, to:

J.A. Newman, Regional Manager Personnel,
The Royal Trust Company of Canada,
Royal Trust House, 48-50 Cannon Street,
London EC4N 6LD



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for their private client statistical department, an assistant with two to three years' similar experience.
Write Box A.7828, Financial Times
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A highly successful and well established manufacturing group, with extensive overseas markets, wants to recruit a lively young accountant for the newly created post of treasurer.

Candidates, in their 30's, should have sound experience in cash forecasting, cash management and foreign currency dealings in fast moving businesses.

The group is an international leader in its field; the management is young and aggressive and the prospects for the successful candidate are described as excellent.

Please write in confidence, quoting reference 17751L, to E. M. Nell, 165 Queen Victoria Street, Blackfriars, London EC4V 3PD.

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Executive Selection Division



Shell U.K. Exploration and Production

COMMERCIAL CONTRACTING

The Commercial Services division of Shell U.K. Exploration and Production was formed some three years ago and is a functional union of contracting, commercial and financial expertise. It also covers insurance, economic appraisal and special studies. Its Commercial Contracting Department vets contracts let by the Company and offers commercial advice and assistance to engineering project teams. Tightening up on pricing schedules, conditions of contract, standard documentation, contract negotiation, preparation, advice and negotiating on claim settlements and financial review of possible contractors, are all part of the total work scope.

We are looking for people at differing levels of seniority from Departmental Head to Senior Commercial Analyst.

These Commercial Analysts will be from a background in either accountancy, treasury, law, contracting or cost engineering and they will be finding their single speciality too narrow to fully maintain their interest. They will have penetrating and incisive minds, and enjoy problem solving.

The Head of Commercial Contracting will require a strong and persuasive personality and will be a well qualified professional with broad experience covering more than one of the above fields of expertise and a record of achievement by co-ordination and guidance.

We attach great importance to these positions and the salaries we are offering reflect this. In addition we offer a wide range of company benefits including relocation assistance where appropriate.

Please write giving brief details about yourself and your career to Shell U.K. Exploration and Production, UEP/62, Shell-Mex House, Strand, London WC2R 0DX. Telephone 01-438 5001.

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* Unless you are applying for the above position, please do not write to us.

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There's a starting salary of up to £20,000 plus a company car and other benefits. The person we are looking for should be a highly professional manager with sound experience of the motor trade, preferably gained in a Ford environment.

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Box No. A.7829, Financial Times,
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Executive Selection Consultants

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Deputy Managing Director

North East, c.£25,000 + benefits

Our client, a substantial US multi-national, requires a Deputy Managing Director to assist the Managing Director in the executive control and profitable development of one of their highly successful UK subsidiaries. The company is a brand leader in the manufacture and marketing of an extensive range of consumer durables, with turnover in excess of £20 million. Candidates aged under 40, science based graduates, ideally with a secondary qualification in business studies or finance, must demonstrate a record of successful general management in a position of profit accountability within a market orientated manufacturing organisation. International mobility is essential and second language desirable as success in this position may lead to promotion outside the UK. Comprehensive benefits include a bonus scheme and company car.

Male or female candidates should forward immediately a comprehensive cv to A.D. Kelly, Ref: 44123/FT, 4 Mosley Street, NEWCASTLE-UPON-TYNE, NE1 1DE. 0632-327455.



THE BRITISH LINEN BANK LIMITED

Corporate Finance

The British Linen Bank Limited (the merchant banking subsidiary of Bank of Scotland) is seeking to appoint a senior corporate finance executive in the Bank's head office in Edinburgh. The successful candidate will join one of the Bank's corporate advisory teams within the Corporate Finance Department. An applicant will probably have a

good university degree and/or professional qualification. It is essential that he or she should have had three to five years relevant experience in one of the leading accepting/issuing houses. He or she should be aged 30-33.

A competitive salary will be offered, together with usual fringe benefits.

Candidates should send fully comprehensive CV to:
H.K. Young, Head of Corporate Finance,
The British Linen Bank Limited,
4 Melville Street, Edinburgh, EH3 7NZ.

GENERAL APPOINTMENTS
Also appear today on following page

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Candidates should possess experience in arranging export finance with Banks, ECGD and other sources in the United Kingdom and overseas, and/or in the preparation for, and the negotiation of, export contracts for high value capital goods. The seniority of the positions will reflect the experience of those appointed.

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The Employment Manager,
BRITISH AEROSPACE AIRCRAFT GROUP
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We wish to make a senior appointment to our newly formed company specialising in broking in the London International Financial Futures Market.

The successful candidate will be dealing with clients and advising them on all aspects of the market. He/she will currently be employed in a broking capacity and be familiar with client liaison. A knowledge of the money and gilt edged markets would be an advantage.

A competitive salary is offered including a non-contributory pension scheme, life assurance and other fringe benefits.

Applications giving full career details will be treated in strict confidence and should be sent to:-

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BOND PORTFOLIO MANAGER

c. £12,000

Age maximum 30 with 2/3 years' active trading in U.K. bond market. Eurobond and U.S. bond market would be an asset but not essential.

Please contact
Sheila Ankers-Jones
01-226 0731

Q.S. Banking
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The salary is negotiable, and together with a company car will be backed by the fringe benefits expected in Banking.

Please write with comprehensive CV, to: Ian Egglestone, Vice President, Personnel, The First National Bank of Boston, 5 Cheapside, London EC2P 2DE.



PORTFOLIO MANAGER (U.K. Equities)

LONDON

National Provident Institution is a leading life assurance company with a substantial investment portfolio. As a result of growth in the number and size of funds under management, we are seeking to appoint a suitably experienced person to take specific responsibility for the management of a number of our U.K. equity funds.

Candidates, in the preferred age range 27-40, should have had experience in the successful management of institutional equity portfolios.

An attractive remuneration package will reflect the experience and background of the successful candidate. Please apply, in writing, in the first instance to: W. Kingston, Personnel Manager, National Provident Institution, PO Box No. 227, 48 Gracechurch Street, London EC3P 3HH.



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3. Commercial Law
4. Capital Transfers in and out of the U.K.
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For interviews telephone between 09.00 and 17.30 hours Wednesday 14th April 1982

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Telephone: 01-486 5800

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We are a successful Company exporting into Africa and the Middle East. Operating as a small independent subsidiary of a UK manufacturing group, we plan to expand our activities primarily in the Francophone zone of Africa.

We seek a person with genuine trading experience in that area, who will travel there periodically to obtain business. You should be fluent in commercial French, and be experienced in all aspects of trading in consumer goods.

We offer a good basic salary plus substantial bonuses linked to individual success.

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David Jones, Managing Director
SMITH & TYERS LIMITED
14 Waterloo Place
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Laing & Cruickshank PRIVATE CLIENTS DEPARTMENT

An opportunity has arisen for an ambitious person, aged 22 to 28, to become a Partner's Assistant.

The successful applicant will ideally have a minimum of two years' experience of providing investment advice to private investors and have passed, or currently be studying for, the Stock Exchange membership examinations.

If you wish to apply write to:

I.F. Macartney, Laing & Cruickshank,
The Stock Exchange, London EC2N 1HA.

ASSISTANT INVESTMENT ANALYST

An Assistant Investment Analyst/Secretary is required to expand the firm's coverage of the Property/Building Sectors. We are seeking a candidate with a good academic background and with preferably two to three years' experience in stockbroking or a similar commercial environment.

An attractive remuneration package is offered together with encouragement for further career development.

Written applications will be treated in confidence and should be sent to:
The Staff Partner
MESSRS. SCHAVIRSHEN & CO.
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International Appointments

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- **Debt Management**
Negotiation, documentation and administration of a wide variety of debt financings.
- **Asset Management**
Direct lending and investments in securities, loans receivable administration.
- **Financial Market Information**
Continuing involvement in adapting the latest financial market techniques to the Company's requirements.

You will report directly to the President/Managing Director. This company is extremely active in the financial markets. Qualifications for this position should include either finance company experience or an international banking background. An MBA degree would be beneficial.

Send complete resume by airmail to:
Mr. Omar Boll, President

GTB Finance N.V.

Santa Rosaweg 55, Curacao, Netherlands Antilles
Or, call us in the U.S. at (203) 965-4199
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Funding Manager

Middle East £50,000+

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Our client seeks an individual with an excellent educational background, including a university degree and preferably an MBA. He will have had at least seven years experience in the funding side of a bank or another suitable financial institution, with emphasis on strategic planning as opposed to trading. Nationality and age are unimportant but he must have the maturity and flexibility to adapt to a multinational living and working environment.

This is a very important position in a privately owned, profit oriented institution and the compensation package being offered will include a generous base salary free of local tax, an incentive bonus, and a wide range of fringe benefits.

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- complete freedom for travel

The position, which has an excellent salary, offers first class experience and long-term prospects with a multinational group.

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INTERNATIONAL BANK

Located in Paris

seeks

MARKETING OFFICER

with 5-10 years' banking experience

Candidate should have strong business development skills and experience in the international commodities and the trade finance areas. Fluent English and French required.

Please send c.v. to Box A.7816, Financial Times
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INVESTMENT	
Portfolio Manager	£60,000
Eurobond Trader (FRN's)	neg
Bond Sales/Placing Officer	neg

TREASURY

Senior Management	neg
Chief Dealer	to £55,000
Senior Dealer	£50,000
AUDIT	
Assistant Chief Auditor	£50,000
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SYNDICATION	
Manager	£55,000
Assistant Manager	£50,000
Junior Officers	£30-45,000

Jonathan Wren Banking Appointments

Please send a detailed curriculum vitae to Roy Webb, Jonathan Wren & Co., Ltd., International Division, 170 Bishopsgate, London EC2M 4LX. Tel: 01-623 1266. No identities divulged without permission.

Vacancies are available in a leading national bank for the posts of:-

- 1.—Foreign exchange and funding manager.
- 2.—Dealers.
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Applicants should have banking experience in the above mentioned fields. Applications will be dealt with in confidence.

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SWITZERLAND

THE BANK FOR INTERNATIONAL SETTLEMENTS

an international institution in Basle, has a vacancy for a YOUNGER EDITOR in its Press Service

mainly to assist in compiling the Service's English-language news report and other documents for internal information purposes.

Candidates must have a perfect command of English (mother tongue) and be very proficient in French and German. Knowledge of other foreign languages (particularly Italian) useful. Thorough grounding in economics with emphasis on central-bank policy and practice and international monetary affairs. Ability to translate challenging texts on economics and related subjects from the above-mentioned foreign languages into English and also to make English summaries of such texts.

Further requirements are an ability to work speedily and under pressure, flexibility and adaptability, team spirit. Candidates must also be prepared to start work early (7.30 a.m.).

The Bank offers a good salary, first-class pension and welfare schemes and other ancillary benefits. Excellent sports facilities available for staff.

Applications giving full details (c.v., copies of testimonials and a photograph) should be sent to the Personnel Manager, Bank for International Settlements, 4002 Basle, Switzerland.

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A qualified Accountant (A.C.C.A., A.C.A.), is required by a major Construction Company in Jeddah, Saudi Arabia. Candidates must have extensive internal auditing experience and be capable of introducing, establishing and supervising an internal audit department.

Applicants must be fluent Arabic speaking and Arab nationals would be preferred. Qualifications must have been obtained in UK or equivalent standard. Excellent prospects for Professional Auditor with drive, enthusiasm and ability to motivate/communicate with all levels of staff.

The successful candidate will be offered a top rate contract package and salary will be negotiable. If you are qualified, speak fluent Arabic and have the relevant experience please send fully detailed CV and recent photograph to:-

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Recruitment Manager
KAL Enterprises (UK) Limited
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Come grow with Corvus! We have an outstanding record and a promising future. Corvus, located in the prestigious Silicon Valley, California, U.S.A., offers an opportunity for personal growth, a challenging career and excellent salaries and benefits. If you want to share in our growth, please respond today. We are currently scheduling interviews in Europe for mid to late April. Contact Diane Smart at Corvus Systems, 2029 O'Toole Ave., San Jose, CA 95131, U.S.A. Phone: (408) 846-7700 Telex: 278876 CVNS

CORVUS SYSTEMS

BBC 1

TELEVISION—THURSDAY

LONDON

Chris Dunkley: Tonight's Choice

Tibet was a forbidden country unknown to Western eyes at the beginning of the 20th century. Even in the first 50 years of this century it was visited by very few, but fortunately some recorded their visits on film. However the doors so recently opened to a privileged few were firmly closed when the Chinese invaded. "Tibet: the bamboo curtain falls" the second of BBC 2's two World About Us films, tells the story of the old Tibet.

The Chinese had always claimed the country as part of China, though it was a claim they had rarely been able to enforce. But by 1950 there was a new world order. The British had left India and in China the Communist revolution had swept all before it; Tibet, it was declared, was the next to be "liberated".

Compiled from both Chinese and Tibetan films, this programme shows for the first time on television what went on after the Chinese takeover. It includes the journey the Dalai Lama made to Peking in 1954, the uprising of the Tibetans against the Chinese, and the final flight into India of 100,000 Tibetans. When a delegation of exiles returned recently from a three-month tour of Tibet they brought back film showing a culture so completely destroyed that of some 3,000 monasteries only parts of 13 seem to have survived.

BBC 2

11.00-11.25 am Play School. 11.25-11.55 Greta Garbo in "Ninotchka". 11.55 Caught in Time. 12.00-12.15 Hawk of the Wilderness. 12.15-12.30 Cartoon Two. 12.30-12.45 Sorry Mate, I Didn't See You. 12.45-1.00 Country Hall. 1.00-1.15 One Hundred Great Paintings.

Chris Dunkley: Friday's Choice

Being a Bank Holiday the day's schedules are full of material supposedly suitable for all the family, from circuses to old movies of which are third rate, though Anna Karenina on BBC2 in the afternoon rises to second rate. It's certainly not one of Garbo's best. Be warned that You Can't Take It With You, also on BBC2, is not the 1938 Frank Capra movie, but a recent uninspiring remake.

There are just two programmes which sound worth taking some trouble to see, both musical. First, Parsifal, again on BBC2. Arranged in three parts running to nearly four hours, this will be the first time that British television has carried a complete Wagner opera from Bayreuth. There is simultaneous stereo sound on Radio 3.

ITV's "South Bank Show Special" is the third of Tony Palmer's film biographies of modern composers. The first two on Benjamin Britten and William Walton both won the Prix Italia for television music programmes. Subject of today's programme (which is in two parts, the second part tomorrow) is Stravinsky who died in 1971. His centenary is celebrated this year.

ANGLIA

9.30 am Seaside Street. 10.30 Spread Your Wings. 10.55 Singing. 11.25 The Flying Kiv. 11.55 Return Journey. 1.20 pm Anglia News. 2.00 Not For Women Only. 4.20 Palmerston. 6.00 About Anglia. 6.20 Arena. 6.30 Crossroads. 7.00 Survival. 10.25 Basketball. 11.00 Parents and Teenagers. 11.30 Lou Grant. 12.25 am The Divison File.

CENTRAL

9.25 am 3-2-1 Contact. 9.55 Gardening Time. 10.05 Falcon. 10.25 Rugby. 10.55 The Young Doctors. 1.20 pm Central News. 2.00 Sport Billy. 4.45 Janet of Star Country. 5.15 Here's Boomer. 6.00 Crossroads. 6.25 Central News. 7.00 Emmerdale Farm. 7.30 Tonight That's England. 10.20 Western. 11.00 Central News. 11.05 The Death Policy.

GRAMPIAN

9.20 am First Thing. 9.25 Project UFO. 10.10 The History of the Motor Car. 10.35 The Adventures of Noko. 11.00 Seaside Street. 1.20 pm North News. 6.00 North Tonight. 8.30 Police News.

RADIO

(S) Stereophonic broadcast (when broadcast on vhf)
RADIO 1
5.00 am As Radio 2. 7.00 Miles Lee. 9.00 Simon Bates. 11.30 Owen Roe. 11.55 The Road to the Cross. The Rugby town centre churches join in an unusual Passion Play. 12.00 Course of Lassie starring Elizabeth Taylor, Frank Morgan and Tom Drake. 1.30 News After Noon. 1.45 Heads and Tails. 2.00 "The Wonderful World of the Brothers Grimm" starring Laurence Harvey, Claire Bloom and Karl Bohm. 4.05 The Bells of Austerlitz. 5.00 News. 5.10 "What's Brewin' Bruin?" (Cartoon) London and South-East only. 5.20 Robert Brothers International Circus. 6.28 "Chitty Chitty Bang Bang" starring Dick Van Dyke and Sally Ann Howes. 6.40 World Superstars 1982. 9.45 News. 10.00 The Wondrous Cross: The Passion of our Lord commemorated in words and music from Brecon Cathedral. 10.30 The Late Film: "The Secret of Santa Vittoria" starring Anthony Quinn, Anna Magnani and Virna Lisi.

BBC 1

9.45 am The Wombles. 9.50 Jackanory. 10.05 The Banana Splits. 10.35 Why Don't You...? 11.00 The Road to the Cross: The Rugby town centre churches join in an unusual Passion Play. 12.00 Course of Lassie starring Elizabeth Taylor, Frank Morgan and Tom Drake. 1.30 News After Noon. 1.45 Heads and Tails. 2.00 "The Wonderful World of the Brothers Grimm" starring Laurence Harvey, Claire Bloom and Karl Bohm. 4.05 The Bells of Austerlitz. 5.00 News. 5.10 "What's Brewin' Bruin?" (Cartoon) London and South-East only. 5.20 Robert Brothers International Circus. 6.28 "Chitty Chitty Bang Bang" starring Dick Van Dyke and Sally Ann Howes. 6.40 World Superstars 1982. 9.45 News. 10.00 The Wondrous Cross: The Passion of our Lord commemorated in words and music from Brecon Cathedral. 10.30 The Late Film: "The Secret of Santa Vittoria" starring Anthony Quinn, Anna Magnani and Virna Lisi.

BBC 2

11.00-11.25 am Play School. 11.25-11.55 Greta Garbo in "Ninotchka". 11.55 Caught in Time. 12.00-12.15 Hawk of the Wilderness. 12.15-12.30 Cartoon Two. 12.30-12.45 Sorry Mate, I Didn't See You. 12.45-1.00 Country Hall. 1.00-1.15 One Hundred Great Paintings.

GRAMPIAN

9.25 am First Thing. 9.30 Song Book. 9.40 Once Upon a Time. 9.55 Feature Film: "The Long Ships" starring Richard Widmark, Sidney Poitier and Russ Tamblyn. 6.00 pm North Tonight including Sports Desk. 7.00 Charlie's Angels. 11.15 Sports of San Francisco. 11.30 am North Headlines and Road Report.

ANGLIA

9.30 am The Adventures of Black Beauty. 10.15 Star Parade. 11.10 The Grand Adventure. 11.20 pm Friday Late Film: "A Time for Killing" starring David Jameson. 1.20 am The Divison File.

BORDER

9.55 am Seaside Street. 10.55 Ant-Infest Claretta. 11.45 Poetry of a Landscape. 6.00 pm Film: "Planet of the Apes." Charlton Heston and Roddy McDowall. 11.20 Danger UXB.

CENTRAL

9.50 am 3-2-1 Contact. 10.20 Falcon Island. 10.45 The New Accelerators. 11.10 The Great Adventure. 11.20 pm Late Film: "Robbery" starring Anthony Quinn, Anna Magnani and Virna Lisi.

RADIO

(S) Stereophonic broadcast (when broadcast on vhf)
RADIO 1
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TELEVISION—GOOD FRIDAY

Chris Dunkley: Friday's Choice

Being a Bank Holiday the day's schedules are full of material supposedly suitable for all the family, from circuses to old movies of which are third rate, though Anna Karenina on BBC2 in the afternoon rises to second rate. It's certainly not one of Garbo's best. Be warned that You Can't Take It With You, also on BBC2, is not the 1938 Frank Capra movie, but a recent uninspiring remake.

There are just two programmes which sound worth taking some trouble to see, both musical. First, Parsifal, again on BBC2. Arranged in three parts running to nearly four hours, this will be the first time that British television has carried a complete Wagner opera from Bayreuth. There is simultaneous stereo sound on Radio 3.

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GRAMPIAN

9.25 am First Thing. 9.30 Song Book. 9.40 Once Upon a Time. 9.55 Feature Film: "The Long Ships" starring Richard Widmark, Sidney Poitier and Russ Tamblyn. 6.00 pm North Tonight including Sports Desk. 7.00 Charlie's Angels. 11.15 Sports of San Francisco. 11.30 am North Headlines and Road Report.

ANGLIA

9.30 am The Adventures of Black Beauty. 10.15 Star Parade. 11.10 The Grand Adventure. 11.20 pm Friday Late Film: "A Time for Killing" starring David Jameson. 1.20 am The Divison File.

BORDER

9.55 am Seaside Street. 10.55 Ant-Infest Claretta. 11.45 Poetry of a Landscape. 6.00 pm Film: "Planet of the Apes." Charlton Heston and Roddy McDowall. 11.20 Danger UXB.

CENTRAL

9.50 am 3-2-1 Contact. 10.20 Falcon Island. 10.45 The New Accelerators. 11.10 The Great Adventure. 11.20 pm Late Film: "Robbery" starring Anthony Quinn, Anna Magnani and Virna Lisi.

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LONDON

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BUSINESS LAW

Ghost of 'Sleeping Dogs'

BY A. H. HERMANN, LEGAL CORRESPONDENT

THE GHOST of the Bremer Vulkan decision, better known as "The Sleeping Dogs" case, is up and about, and doing much damage. This decision concerned an arbitration conducted with such inordinate delays that after some 11 years the respondents applied to the High Court to have it stopped; witnesses were no longer available and a fair decision could not be reached.

Sir John Donaldson, then sitting as a judge in the High Court, granted their application, which was confirmed by a unanimous Court of Appeal. But on further appeal to the House of Lords, he was reversed by a majority of 3-2. Lord Diplock found that the respondents did not do anything to prod the plaintiffs into action. He said: "Respondents in private arbitrations are not entitled to sleep dogs lie and then complain that they did not bark."

This decision, which was regretted in this column when it was made in January 1981, has had disastrous effects. It has resulted in the revival of references to arbitration which were thought to be long dead. It is causing the greatest concern, not only in the UK but also abroad; it puts at risk the numerous foreign parties who bring their disputes to London for arbitration.

London arbitration is now often as fatal as litigation and tends to cost rather more. But, while a judge can stop litigation for want of prosecution, he is not allowed to do the same in cases of arbitration because of Lord Diplock's judgment in Bremer Vulkan. Imagine that someone brings a claim against you which you consider worthless; he starts arbitration proceedings in the hope that he will win some concessions from you, but you remain firm and he leaves you in peace. Would you, under such circumstances, insist that the arbitration must go on? No one does such a thing. Yet, after the Bremer Vulkan judgment, the sword of Damocles dangles intermittently over the respondent's head.

A similar case came before the Court of Appeal in April of last year. It took all the skill of Lord Denning and Lord Justice Eveleigh to sail past the Bremer Vulkan decision. They found that after some 8 1/2 years a fair trial of the dispute surrounding the Splendid Sun was no longer possible. They held that the facts were different from Bremer Vulkan, and that the arbitration agreement came to an end by frustration or by a repudiatory breach. Lord Justice Fox felt bound by Lord Denning's view that the obligation of the two parties in arbitration to keep it moving was mutual, and dissented. On that occasion I urged, in this column, the need for legislation. I pointed out that other arbitration centres successfully impose time limits.

Since then, the need for legislation has become even greater because of the reluctance of the Commercial Court judges to accept that the judicial review of arbitration should be allowed as sparingly as the guidelines on which Lord Denning and Lord Diplock agreed in "The Nema". One hears that the Government is now aware of the need to clarify the 1979 Arbitration Act, but no legislation seems to be forthcoming. A fortnight ago, the Court of Appeal had to deal with another case in which the buyer made futile attempts to press weak claims by arbitration over a period of 11 years. The Pinto, a small ship was sold by its Norwegian owners to German buyers in 1968. The contract provided that after the buyers took delivery the sellers would have no responsibility for possible faults or deficiencies. However, 4 1/2 years after the contract the buyers, who checked the ship's performance before taking it over, came with the claim that they were told that its engine had a service speed of 230 rpm, which it did not. They asked for damages of over DM 1m. They did nothing for the following three years, at the end of which they asked for some evidence. They obtained it in 1978, but had it analysed only in 1980. By that time the Norwegian sellers had had enough and asked the High Court to stop any further arbitration proceedings. They obtained from Mr Justice Staughton a declaration that the arbitration agreement was discharged by reason of frustration.

The appeal came before Lord Denning and Lord Justice Kerr and Griffiths. They all agreed with the judge's decision but they all had to pronounce long and elaborate decisions to justify that the decision could stand in spite of the Bremer Vulkan judgment. They made

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THE MANAGEMENT PAGE: Marketing

EDITED BY CHRISTOPHER LORENZ

How Blackpool sells itself

BY NICK GARNETT

ONE of Britain's most hallowed institutions opens its gates this morning for the holiday season—and for the annual nail-biting test of its management's marketing and promotional skills.

With 40 "fantastic thrill-a-minute" acres of more than 150 rides and attractions, the Blackpool Pleasure Beach attracts 6m to 7m tourists a year.

Apart from the 42 really big "hard" rides like the roller-coasters which give the Pleasure Beach its immediate fame, there is an Ice Dome, the Viva Tropicana nightclub show, "soft" walk-through attractions, a space exhibition, four cinemas and some 24 eating houses. It is not a funfair but an amusement park in the U.S. tradition.

Unlike Disney's sites in the U.S. or big parks like Tivoli in Copenhagen, which are visually spectacular and depend mainly on "soft" rides, much of the Pleasure Beach is about white knuckles gripping the sides of coasters, and stomachs being propelled into throats. "It's the big spectacular amusement devices which bring people here, the big exciting rides. And it's those that bring the money in," says Geoffrey Thompson, managing director of his family's small private company, Blackpool Pleasure Beach. Until a recent acquisition in the U.S., its only other major enterprise was the operation of nearby Morecambe's fun park.

Behind the annual drawing power of the Blackpool park is

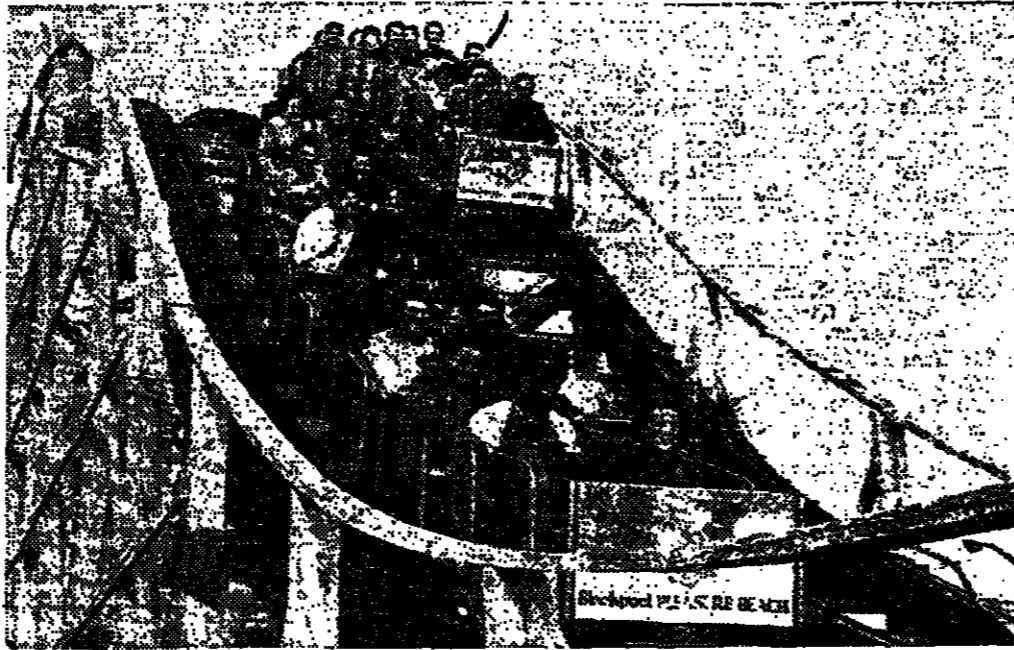
not only the strength of its reputation, handed down by word of mouth from one generation to the next, but also a surprisingly wide promotional campaign. It would be even broader if so many British companies were not resisting invitations to sponsor individual rides along the pattern of American amusement parks.

To outsiders the "working class dream" profile of Blackpool has changed little since the 1930s—crackles of people pouring in from Blackburn to stay at gaudily decorated hotels with organised knees-ups in the evenings and days of slot machines, Big Dipper rides, candy floss and the Tower.

Yet to attract the broadest possible cross-section of customers the management of the Pleasure Beach has devised a classless promotion campaign that is geared to all ages, directed at both individuals and groups, private citizens and company outings. It markets the amusement park as a whole, as well as specific elements like the coming visit of Robin Cousins in an ice spectacular.

One handicap is the difficulty of measuring the campaign's overall success: holidaymakers are notoriously reluctant to answer market researchers' questions.

Another problem is that as with the rest of Europe, there is no tradition in Britain of families going out for a day at an amusement park. That perky explains why the Pleasure



Blackpool Pleasure Beach's marketing is geared to families and groups.

The concept of a package day out is advertised heavily, not only in situ among the 15m holidaymakers who make the annual trek to Blackpool, but directly to a wide area of Britain.

The nub of the company's advertising is an outlay of £185,000 on television spots in Scotland, the North and the Midlands. Split screen techniques are used to portray as many facets of the park as possible.

This is paralleled by an annual newspaper, plus several booklets and magazines; Blackpool is inundated with them, but they are also deposited at stops along the motorways.

The company is also experimenting with local radio, and has had a deal with Shell under which purchasers of petrol in Blackpool or Morecambe during

a particular period receive free tickets.

A key part of the company's campaign is a travelling sales force which sells package visits to coach companies, factories, working men's clubs, schools and civil service offices. The park is also advertised in British Airways in-flight magazine to try and lure company managers into choosing the spot for works outings.

It is with its latest approach—corporate sponsorship for its individual rides, that the company is having problems. Industry's response compares unfavourably with that of U.S. companies to a park at Myrtle Beach, South Carolina which Blackpool Pleasure Beach has just purchased. Disney boasts big names like Amoco, RCA and General Electric as sponsors of some of its extravaganzas.

A recent approach to a tyre

manufacturer for a sponsorship deal for one of Blackpool's car rides—involving exhibition space for the company—received a dusty answer. So far only Goldberg, the Glasgow department store group which has just opened an outlet in Blackpool, is providing commercial sponsorship of that type.

But however effective the Pleasure Beach's sales pitch, the main question hanging over it this summer is, as always, the weather. There are 30 critical money-making days and if the clouds open, takings can fall by 30-60 per cent. Last year's appalling summer out profits to an uncomfortable (though unrevealed) extent.

All the same, there is some compensation in the fact that the British public is about the most stoic in the world when it comes to braving the rain for a visit to a Haunted Swing or the Wild Mouse.

machinery for making light bulbs. Most manufacturers who operate in such areas already have some user-developed products in their current range of merchandise, he says.

The trouble is that they tend not to recognise them as such because they have no organised process for finding them, and then deciding what to do with them. Manufacturers must decide "whether to continue to allow the adoption process to proceed haphazardly and inefficiently or whether to recognise it and systematise it," says von Hippel.

"Get new products from customers." March-April issue. Boston MA, 02163.

Christopher Lorenz

Why American agencies have launched a new UK invasion



David Lee: "You have to go forth and multiply"

THE CURRENT "invasion" of Madison Avenue, heartland of the U.S. advertising industry, by two British agencies—Saatchi and Saatchi and Geers Gross—has distracted attention from a more significant trend in the reverse direction: the mushrooming number of second or third-string operations being set up or acquired in London by leading American agencies.

Benton and Bowles, Grey Advertising and D'Arcy-MacManus and Masius are all, to a more or less public extent, looking for an agency to buy in London as a second (or third) agency in the group, and several more agencies are certainly hunting privately.

"This business of second agencies starts from the general proposition that ours is the only business where, when you have slightly more than 5 per cent of the market, further increases are hard to achieve because of the convention that agencies don't handle competing business," explains David Lee, chairman of D'Arcy MacManus and Masius. "You get to the stage where, to keep growth galloping, you have to be in a state where you can take on new business. You have to go forth and multiply."

A year ago Masius created a second agency out of its sales promotion subsidiary, IMP, taking the "above the line" advertising (press, radio, TV, posters, etc.) out of B&P and adding in a few accounts and some staff from the main agency. Marshall Advertising, Lee claims, is now entirely separate from Masius and it has proved its value by winning the Alfa Romeo account although Masius handles Tabat.

But Lee is still looking for agencies to buy. "For the last two years I have been in the market, but most of the worthwhile agencies went a while ago and a lot of the rest put a very high price on their heads. When we see what we see, most of it is vastly over-priced and not particularly good."

Another chairman in the market for a second agency is Benton and Bowles' Bruce Rhodes. He cites client conflict and market segmentation as his reasons for buying. While some agencies look for a contrast, or complementary skills, in their second agencies, Rhodes is

because with the growth of international banking they wanted an international agency. This was a warning to us.

In spite of the recession, it is probably still a seller's market. Masius' David Lee is right that unattached, dynamic, growing, creative agencies who are prepared to sell are few and far between.

One agency on many people's list as a possible target is Colman and Partners, billing just under £13m in 1981 and with clients like Citicorp and Tampar. Lee may complain that many agencies he has looked at are over-priced, but Colman managing director Paul Forster says unashamedly, "One of our criteria for selling is that we wouldn't be cheap."

But some of the attractions of a sell-out can be achieved in other ways. The unlisted securities market is one vehicle which Forster believes could become more popular. "It makes a flotation a lot less daunting," he says. "I believe you could do the deal for £50-600,000 and if you have a business of some substance making profits of £2-3,000,000 a year you can cope with that."

The acceptance of Saatchi and Geers Gross by the Stock Exchange as stable companies with good profits records will have helped immeasurably any flotation of this kind, but it will not in itself offer any prospects of growth or international connections.

The problem for the seller is balancing the inevitable loss of independence in a sell-out against the financial security offered, and against the boost to business from the new parent. Inevitably, most purchasers will want to have some measure of control over their subsidiaries.

Bruce Rhodes of Benton and Bowles also has clear ideas of what he wants: "We would want the best of both worlds. We would want it to be the case that the second agency had the strength of Benton and Bowles around it, but we would also want it to be sufficiently autonomous to be able to satisfy its management—and clients who might think differently—that there was no conflict. I don't think that's an unrealistic strategy."

Howard Sharman

Users as low-cost innovators

IBM and an American flour and bakery products company called Pillsbury seem an unlikely combination.

Not so, according to Professor Eric von Hippel of the Massachusetts Institute of Technology. They epitomise a promising but unusual approach to new product development, he says—that of letting your customer do it for you, instead of always trying to do it yourself, with all the attendant costs and risks.

Take the great Pillsbury Bake-Off. Established in 1949, this annual contest is primarily a publicity vehicle for Pillsbury's products. But customer response, in the form of tens of thousands of suggestions

for new recipes each year, has gone beyond the bounds of publicity by bringing forward several lucrative user-developed products that Pillsbury has commercialised.

At IBM, von Hippel cites the example of the corporation's Installed User Department, which co-ordinates the acquisition of user-developed programmes. About a third of all the software IBM leases for use on large and medium-sized computers is developed by outside users, he says.

Writing in the latest issue of the Harvard Business

Review, von Hippel points out that users have developed two-thirds of the new process machines used in the U.S. semiconductor industry, and 80 per cent of the new scientific instrument companies.

The reasons for this—hitherto largely neglected—pattern of product development are many, von Hippel suggests. The most obvious is that manufacturers may have failed to spot a potential need, or ignored it.

On the other hand they may be completely aware of it, but deem it too late or too risky

to justify the investment required. Later, when an enterprising user has developed a suitable product and it does turn out to be of commercial interest, manufacturers will get into the act and develop it, as examples von Hippel quotes most new computers in the 1940s and early 1950s, together with the customised light vans which Detroit saw fit to enter the market.

User-developed products exist in all sorts of other categories, von Hippel concludes, ranging from egg shampoos to

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1981 Group Results

- * Profit before extraordinary items up 92% from HK\$411 million to HK\$790 million.
- * Profit after extraordinary items up 23% from HK\$770 million to HK\$947 million.
- * Proposed final ordinary dividend of 27 cents per share giving 40 cents total for the year, up 25%.
- * Successful acquisition of minority interests in A.S. Watson & Co. Ltd., Anderson Asia (Holdings) Ltd. and Hutchison-Boag Ltd.
- * Strong performances by shipping related, trading and quarrying divisions.
- * Completion and sale of 936 flats at Aberdeen Centre Sites 1, 2 & 3.
- * Completion and sale of Diamond Exchange Centre.
- * Satisfactory construction progress at Provident Centre Phase I due for completion and delivery to purchasers in 1982.
- * Group in sound financial position with gearing reduced from 37% to 22%.

Summary of Results	1981 HK\$M	1980 HK\$M
Profit before extraordinary items	790	411
Extraordinary items	157	359
Attributable profit	947	770
	HK\$	HK\$
Dividends per ordinary share	0.40	0.32
Earnings per ordinary share	1.70	0.85

Annual report will be posted to shareholders by 8th May, 1982

Li Ka-shing
Chairman
Hong Kong, 31st March, 1982



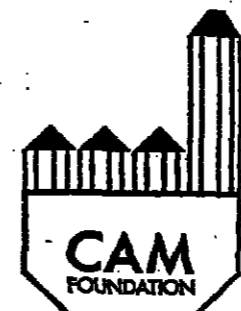
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Thursday April 8 1982

WORLD PHOTOGRAPHIC INDUSTRY

Sony squares up to Kodak

By Ian Rodger and Elaine Williams

First blood to indexed gilts

ONE NOTABLE feature of the financial markets in the last three days of crisis has been the behaviour of the Government's indexed-linked stocks. While conventional stocks have fallen by some five points, taking account of yesterday's rally, the indexed stocks sagged only slightly and returned to their starting value. This feature of indexed funding—a robust performance in times of crisis—is and always has been one of the strongest arguments for including indexed stocks among the official armoury.

Indeed, it is likely that the performance of the gilt-edged market as a whole has been much more robust than it would have been had a similar crisis arisen before the Government made clear its willingness to take the indexed route. The market had previously risen strongly after the announcement of unrestricted indexed gilts, because investors could no longer suppose that the Government would be driven, as a forced borrower, to issue long-term stocks at yields which it considered excessive. That remains true.

Hint of trouble

The market fall has been due to natural nervousness over a political crisis—and particularly to the fear that the crisis might undermine Mrs Thatcher's position, and lead to more inflationary policies. If inflation fears are aroused, then it is natural that the gap in yield between indexed and conventional stock—the gap which is now the measure of the market's inflation expectations—should widen.

All this must now seem so obvious as to be hardly worth remarking. Yet it does not require a long memory to summon up the repeating funding crises of recent years. At a hint of trouble with spending control or miners' wages, the market might mount an effective buyer's strike; inflation fears thus made it much more difficult to fight inflation through monetary policy, and certainly more expensive. Even now a similar sequence of events—with the market in retreat before the prospective weight of borrowing and imposing high and volatile real

borrowing costs—is at the heart of the U.S. crisis, which still threatens at any stage to undermine our own efforts at economic management.

It seems odd, then, that the House of Commons Treasury and Civil Service Committee, which devoted quite a large part of its Budget hearings to the subject of indexation, scarcely even considered its impact on funding.

Implications

This is in a sense a tribute to the Government's fiscal policies, which have inspired increasing calm in the markets—though they have not yet driven yields down to the point which would proclaim confidence.

The committee, which is in any case to be congratulated on giving to the most significant change in the Budget the attention it deserves, was more concerned with two other questions: the impact on the Budget accounts, and the implications for private borrowers.

So far as the Budget figures are concerned, the committee was entirely right to stress that the figures for public sector borrowing, that crossbred sacred cow of fiscal policy, are rendered even more deceptive than before. The apparent fall in the PSBR which is achieved by paying inflation compensation on maturity rather than through interest payments does mean that monetary control is easier, but it does not mean that fiscal policy is tighter.

Deliberate caution

In this respect, as in many others, we still have everything to learn about the real meaning of indexation. For example, the committee stressed the remaining tax disadvantages for any private borrower wanting to secure the best advantage on an indexed bond—or of its second cousin, a deep discount bond. It is clear that the Government's caution here is deliberate. The Governor of the Bank of England is not the only official wary of making the process of indexation too easy, despite its potential for financing long-term investment. However, the advantage of indexation—retreat before the prospective weight of borrowing and imposing high and volatile real

LIKE TWO prize fighters full of respect for each other, America's Eastman Kodak and Japan's Sony Corporation are still denying that they are about to take each other on.

But in the past few months, Sony has hinted at a bold strategy for attacking Kodak's long-held domination of the free world amateur photography market.

The large Japanese audio and video products group (1981 sales of \$4.96bn) has been demonstrating a camera that uses magnetic tape instead of film and so can store pictures conveniently and present them instantly.

For the moment, Sony is claiming that its prototype Mavica (for magnetic video camera), which would sell for about \$350, is intended mainly for institutional markets. Kodak, too, insists that the threat of tape-based cameras in the popular market is still distant. All that Polaroid will say is that "there are many ways instant photography and electronics can interface, but we are never specific."

It would be easy to dismiss Kodak's view as the natural defensive reaction of a market leader. With annual sales of \$10.5bn and net profits of \$1.2bn more than 90 per cent of which comes from photography, the group has a lot to hang on to.

As well as leading the market for amateur cameras, it has over 60 per cent of the free world market for conventional amateur film and 40 per cent of the colour paper business. In the U.S. market, it sells 90 per cent of all colour film. Profit margins on film and paper are a breathtaking 50 per cent, or more.

But Kodak is widely respected for its research and development and for its almost Japanese corporate culture that encourages employees to take a long-term view. If some other Western industries have succumbed to Japanese advances, it cannot be assumed that Kodak, too, is condemned to decline.

The group has looked carefully at video technology and probably has the ability to produce a video camera if it wants. But it has concluded that this development is at least a decade away. And early this year, it backed up its confidence in conventional film technology by introducing a family of cameras with compatible films and processing equipment, the so-called disc system.

The marketplace facts of life add to the significance of this move. For Kodak's competitors will have no choice but to follow. And independent photo processors will have to invest heavily in handling equipment for the new line. The last development of this magnitude was Kodak's Instamatic, introduced in 1963.



Mr Akio Morita, chairman and co-founder of Sony Corporation, with the Sony magnetic video camera on the left and the Kodak Disc 4000 on his right

If the competitors and processors are worried that videotape will start cutting into their market before they can amortise their investments in disc, they are not showing it.

On the contrary, hurt by lacklustre sales growth in the past two years, they hope that the new system will provide a fillip to picture-taking.

Fuji Photo Film, a fast-rising competitor, said if Kodak's new disc camera expanded the market that would be appreciated. And Agfa Gevaert said any activity that would stimulate photographic markets was welcome.

The hard-pressed subsidiary of the German chemical giant, Bayer, said it would be manufacturing processing equipment for the disc line and was considering the possibility of making compatible cameras and films.

3M, the U.S. company, also sees the Kodak disc as another way of expanding the camera market and plans to make and process the discs when they become available.

Ilford, the British film company owned by Ciba-Geigy of Switzerland, abandoned colour film production two years ago. Among processors, Guardian Photo, a leading U.S. company, welcomed the disc system enthusiastically. "It gives us the opportunity to do a better job with fewer steps," Mr David Reynolds, vice-president, said. "It lends itself to more automation so we should get a better return."

Guardian, which has about a 5 per cent share of the \$3bn processing market in the U.S., is investing \$1.5m this year on disc equipment and expects at least to double that in 1983.

As for the Mavica, Mr Reynolds shares Kodak's view that there is a market for it but, because the price is high, most amateurs won't be able to afford it.

A major British processor welcomed the arrival of the Kodak disc system because he thought it would cause many smaller operations to drop by the wayside.

Although the future of Kodak's disc system cannot be judged for certain until the product is on the market, there seems little doubt of its short-term success.

The North American launch

is scheduled for May 17 and sales begin in Europe in the autumn. The system, which uses a new fine grain film, very sharp lens and automatic measurement, promises idiot-proof operation and better results than Instamatics.

Kodak's hope, of course, is that the better results will lead people to take more pictures and so consume more film and photographic paper.

Priced from \$87.95 to \$142.95 in the U.S., the cameras are seen by Kodak as an ideal stocking stuffer for next Christmas. And they probably will be.

Meanwhile, Sony has been travelling the world since last August demonstrating its prototype Mavica. This particular model is obviously not for the amateur market. It has the size and operational complexity of a professional 35-millimetre camera costing twice as much.

"Don't forget our Mavica has more complicated insides than an ordinary camera," Mr Akio Morita, chairman of Sony, said this week. "It is actually a video camera and a video recorder."

For the moment, also, the quality of reproduction from the Mavica is unacceptably inferior to an Instamatic snap shot. This is because the camera's "eye"—the so-called charge-coupled device or CCD which transforms light waves into electronic data—has only about a third of density of a fine photo film.

Once stored on the magnetic tape—which, ironically, is also in the form of a small disc—Mavica's images can be transmitted either on to a television screen or on to paper with the use of a printing device. Both forms of display still yield crude results. The colours in the prints are badly distorted and the resolution on the screen is, limited, of course, by the quality of the television set.

But Mavica quality is certainly adequate for some institutional needs and the potential versatility captures the imagination. He still insists that Sony was not trying to tread on Kodak's toes, and would be content to exploit institutional markets which, he pointed out, were more profitable than mass markets.

"We feel this is a new system and will create new demand. If you want high definition, a photographic system is better. Our concept is like the video camera. It opened a new field other than the 16-millimetre film camera. Therefore, they should not be compared."

That comparison recalls a speech Mr Morita made only two months ago in a European Management Forum on how the video camera was developed. Sony decided 25 years ago to develop video recording technology. So it spent whatever was needed on development without regard for whether the products would initially be too expensive to sell.

Using such a strategy, he said, a product's price may initially be quite high and the market small.

KODAK STILL DOMINATES

AS WITH everything else in the popular photography market, Kodak dominates the sales of cameras. The company has sold more than 150m cartridge loading cameras since it introduced the Instamatic concept in 1966, an average rate of 8.3m a year.

Polaroid, which is probably the second largest seller of amateur cameras in the world, sold 6.6m instant cameras in 1980.

To a considerable extent, the marketing of amateur cameras, unlike the sale of 35mm cameras, is a business designed to promote sales of film and paper. Other than Kodak and Polaroid, Fuji, Konishiroku and Agfa Gevaert all have substantial camera, as well as film, sales. Some major camera retailers, such as Boots in the UK, have their own private brands of cameras for similar reasons.

However, margins have been sufficient in recent years to attract a large number of other manufacturers as well. Among them are Hamamatsu, Halina, Canon, Cosina, Minolta and Vivitar, all of Japan, and International Telegraph and Telephone of the U.S.

Data on the size of the market and market shares is difficult to obtain. A survey of the UK market in 1979 found that 62 per cent of cameras owned were made by Kodak, with Agfa, Polaroid, ITT, Boots and Vivitar the other main competitors.

Kodak also dominates the film colour and paper business, with an estimated 90 per cent share in the U.S. and an 81 per cent share in Britain. Other brand manufacturers include Fuji and Agfa while 3M of the U.S. and Konishiroku of Japan produce most of the private brands.

The U.S., China and Taiwan

RELATIONS BETWEEN China and the U.S. have reached a critical stage. Ten years of patient and mutually beneficial diplomatic spawdwork by both sides now appear seriously at risk as a result of American insistence on selling arms to Taiwan and China's uncompromising opposition. Peking claims such a move infringes the sacred principle of Chinese sovereignty.

The next few weeks will determine whether China carries through with its threat to downgrade relations if, as seems certain, the U.S. Administration asks for the approval of Congress for the sale of \$60m in military spare parts to Taiwan.

Confrontation

It is conceivable that such a move can be avoided. The U.S. is anxious to avoid a showdown whose only predictable outcome would be to give aid and comfort to the Soviet Union and its weapons for compromise.

The Chinese, on their part, must be seriously concerned that a confrontation which led to a recall of their ambassador in Washington would not, indeed could not, be confined to the political sphere and would inevitably affect economic, trade and cultural relations with the U.S. One of the big selling points of closer relations with Washington to a Chinese nation bewildered by a succession of sweeping policy changes in the past 30 years is the use of American money and technology.

Whatever happens—and it is inconceivable that there should not be some Chinese reaction to the next move due from Washington—it is already clear that relations between the world's most powerful and the world's most populous nation have received a knock. Chinese suspicions that President Reagan is bent on pursuing a "two-China" policy will not be easily allayed. The Soviet Union has already sought to exploit the rift by redoubling its offer of reconciliation to China.

Furthermore, even if a formal downgrading of relations can be avoided the row has already chipped away at a number of precariously balanced relationships. In Asia, stability and the interests of the West are rooted in the hope that relations between China and the U.S. will improve, while the rift between China and the Soviet Union remains irreparable.

This is as true of ASEAN's

continuing support of the Chinese-backed Khmer Rouge against the Vietnamese, and hence Soviet-backed, regime in Phnom Penh as it is of South Korea's and Japan's confidence that they can hold the Communist threat at bay as long as China remains if not exactly with them, then not against them.

Two reasons

The lessons of the Taiwan episode which the U.S. and others—not least Britain with its looming problem of the expiry of lease in the New Territories of Hong Kong in 1977—should digest is that sovereignty is the raw nerve of the Chinese body politic.

There are two reasons for this. The first, and the most important, is that Taiwan is a constant and painful reminder of the battle for control of China which many of the present leadership were involved in prior to Liberation in 1949. It is, for them, a matter of pride and intense emotion. The second is that, as they see it, the longer Taiwan receives economic, political and military succour from the U.S. the longer it will take Peking to reassert control over the last remaining bastion of Chang Kai-Shek's Nationalists.

Unfortunately the Taiwan issue has now become a political football within the leadership. The only possible interpretation of Peking's increasingly hard line is that Deng Xiaoping, the architect of closer relations with the U.S., has come under fire from those within the leadership who disagree with him. No doubt in some embarrassment, he has had to outhawk the *hawks*.

Loosely worded

Mr Reagan has chosen to stand by the Taiwan Relations Act, passed in 1979, which allows for the continued sale of weapons to Taipei. He is also under pressure from the right-wing Taiwan lobby which helped to swing him to power. He would be better advised to take his lead from the spirit of the Shanghai communiqué, signed in 1972 between Richard Nixon and the late Chou En-lai, which took full account of Chinese sensitivities and the paramount concept of "face" and was loosely worded enough for both sides to do what they felt they had to do without publicly offending the other.

Bids and deals

There are two ways of looking at the far-reaching changes at Sothebys where Gordon Brunton replaces the Earl of Westmorland as chairman of the group worldwide and four directors leave the main board.

The official view is that this is just a stage in the reorganisation of the Mayfair auction house.

Others see it as a further round in the fight for supremacy in a company which has never really got over the sudden departure of former chairman Peter Wilson for the South of France a couple of years ago.

Wilson built Sothebys from a small London base into a multinational giant dominating the increasingly international art market. The selection of his cousin Lord Westmorland to follow him as chairman was a surprise. Westmorland's career at Sothebys had always been behind the scenes: he was neither an auctioneer nor a specialist in a particular field, and his decision to hand over executive power last December to Graham Llewellyn who had risen through the ranks of the important jewels department seemed to put the company firmly back into the hands of the experts.

But Sothebys is set to make a loss this year. It is worried by a collapse of the antiques trade which has aggravated the heavy financing of costly expansion programmes in New York and London in recent years.

In addition there has been a festering row with its main customers, the antique dealers, over the introduction of the buyer's premium, and an absence of any really big collections for sale. The disposal of Hever Castle, announced on Monday, is good for prestige but the contents, valued at £3m, are nothing compared with the Menmore or the Von Hirsch sales of the late 1970s.

Against this background the key changes are the disappear-

ance from the group board of Peregrine Potten and Marcus Linnell. Potten, the biggest individual shareholder in Sothebys, was regarded in many quarters as a natural successor to Peter Wilson and Linnell as a young man most likely to reach the top quickly. He had been given responsibility for organising Menmore and Von Hirsch, the sales which with their publicity and profitability did so much to ensure Sothebys a smooth public quotation, and the recommendation of stock exchange analysts.

Linnell stays on as the director in charge of revising the troubled British end of the business but Potten's long career at Sothebys could be nearing a close. The rising man is Julian Thompson, 40, an expert in Chinese art who becomes vice-chairman in charge of non-American operations.

"I think there's a limit to the time one can work standing on this particular tightrope," says Geoffrey Chandler, who is to stay on just one more year as director general of the National Economic Development Council after his current five-year contract expires in June.

The 58-year-old former Shell executive's attempts to balance the interests of CBL, TUC and Government on pay and industrial policies have inevitably found him at some time or another out of joint with all of them.

Balancing act

"If you stand still... you fall off. If you move a bit you get sandbagged and if you move too fast you get thoroughly sandbagged," he says, offering to show his bruises from "pushing consensus to the limit."

But Chandler's experience is not unique. Only Sir Fred Catherwood before him has served more than five years. And Sir Ronald McIntosh, a former senior civil servant, left the post in less than five saying

Men & Matters

city piled on the pressure before ending third. But the St Johns team of three mathematicians and a lawyer proved to be a winning mix when the highest fence on the course was erected: a deep and unpredictable economic recession that set all the embryonic tycoons reeling. Was Deloitte influenced by inside knowledge when setting this game, I wonder?

Abergystwyth played well under the business title. Wall Street Smash. Deloitte is thinking of making the game international next year as 20,000 of its 24,000 accountants work outside the UK. How about a team of high risk-takers calling itself the Wall Street Window Ledge?

Fused I know what it is like to feel over the hill at 40, and the dog looks ready for the great kennel in the sky at only 15.

But the computer world is carrying on concept of a short life and a merry one to new extremes.

Gulf Oil has given a 4-year-old IBM computer, which cost £250,000, to the Science Museum in South Kensington. There it will join a collection of historic computer hardware, much of it less than ten years old.

Gulf says the venerable 4-year-old is really not up to its work alongside younger brothers and sisters. It has been replaced by an IBM 4341 model which works three times as quickly and has a memory four times larger.

No welters Times are tough in the metals business. "Even the people who don't pay their bills aren't ordering now," a steelman has told Metal Bulletin.

Brinkmanship After three gruelling days making business decisions behind closed doors in the Hilton, Park Lane, St Johns College, Cambridge, triumphed yesterday winning the third annual Deloitte Haskins and Sells university management game.

A team of civil engineers from Bristol University (second place) were storming along until near the end. And accountants from Bath Univer-

ity piled on the pressure before ending third. But the St Johns team of three mathematicians and a lawyer proved to be a winning mix when the highest fence on the course was erected: a deep and unpredictable economic recession that set all the embryonic tycoons reeling. Was Deloitte influenced by inside knowledge when setting this game, I wonder?

Men & Matters



"He's no longer here... he came under the hammer yesterday!"

"Four years is all a human frame could stand."

Now the search must begin for another mascot to run this low-key version of the corporate state. The first question is whether to go for another man from industry who might be too publicly outspoken and persistent; or for a civil servant of dubious independence.

Brinkmanship After three gruelling days making business decisions behind closed doors in the Hilton, Park Lane, St Johns College, Cambridge, triumphed yesterday winning the third annual Deloitte Haskins and Sells university management game.

A team of civil engineers from Bristol University (second place) were storming along until near the end. And accountants from Bath Univer-

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ECONOMIC VIEWPOINT

Falklands: the price to be paid

By Samuel Brittan

JUST WHEN the British economy was beginning to turn the corner, it has been shaken by events belonging more to the world of 1882 rather than 1982.

Indeed it was exactly 100 years ago that a government headed by Mr Gladstone and devoted to "peace, retrenchment and reform" changed course with an expedition to Egypt and Lord John Bright, its most free market member.

In more recent times, the last major British military expedition was the Suez invasion of just over 25 years ago. In contrast to Mr Gladstone's, it was halted in its tracks by a run on sterling and the refusal of the Americans to support a British application to the IMF until a ceasefire had been announced.

History rarely repeats itself exactly; but of all the markets which have reacted to the Falkland crisis, sterling is still the crucial one to watch. The exchange rate has been the main transmission mechanism for the major economic changes of the last three years: both the adverse ones such as the sharp stock-induced recession and unemployment explosion—and the more encouraging ones, such as single figure wage settlements and expanded productivity and more alert industrial performance.

The combination of a firm pound and falling oil and raw material prices was beginning to suggest to some Whitehall observers, experienced in analysing the statistical entrails, that the Treasury's 9 per cent inflation forecast for 1982 might be too high and its 13 per cent growth forecast too low. This least might be one explanation of the surprising falling off in the unemployment rise in the last few months.

If the pound were allowed to plunge, all the hard-won benefits would be at risk and there would be nothing to show in return for recent miseries and tensions. The British crisis is just the kind of political crisis which the most convinced believers in nearly clean floating can regard as exceptional. They should urge the Bank of England to continue supporting the trade-weighted sterling exchange rate at somewhere in a range around 90, which was very nearly made into an official objective.

Even reserves of nearly \$19bn (over £10bn) can fall away with surprising speed if sentiment becomes bearish; and it is in just such circumstances that support operations are most difficult to organise. If therefore market intervention has to be reinforced by radically higher interest rates we must grin and bear it. Once the crisis is over it will be very easy to let interest rates drop back. On the other hand a sterling depreciation could lead to a chain of inflationary developments, very difficult to reverse. Moreover, there is everything to be said for letting people realise as soon as possible that patriotic belligerence has its costs—most important in human lives, but also in economic resources.

At present, the main fears of the financial markets relate to British domestic politics. Investors and foreign holders are afraid of unstable Government, weak Government, or a new Government less committed to sound money.

But as the time goes on, attention is likely to switch from the political to the public expenditure cost, which is so often underestimated in the case of overseas expeditions, because the repercussions of decisions taken in the heat of the moment are not foreseen.

It will be important for the Commons Treasury Committee to insist on cost estimates. If the costs really mount, it would be better to raise taxes, and do so sooner rather than later. Nothing could do more to convince the Argentine that the UK means business, but also to make British political leaders conscious of what they are doing and of the need to negotiate without too many preconditions—something the Johnson Administration so conspicuously failed to do on Vietnam.

HAD IT not been for the Falkland Islands, yesterday's meeting of the National Economic Development Council might have been a reasonably cheerful occasion. All schools of thought can find grist to their mills in the documents placed before council members. But it is hard to be entirely depressed by an estimate of a rise in manufacturing output per man year of 10 1/2 per cent in the year up to the fourth quarter of 1981 and of 8 1/2 per cent in output per man-hour.

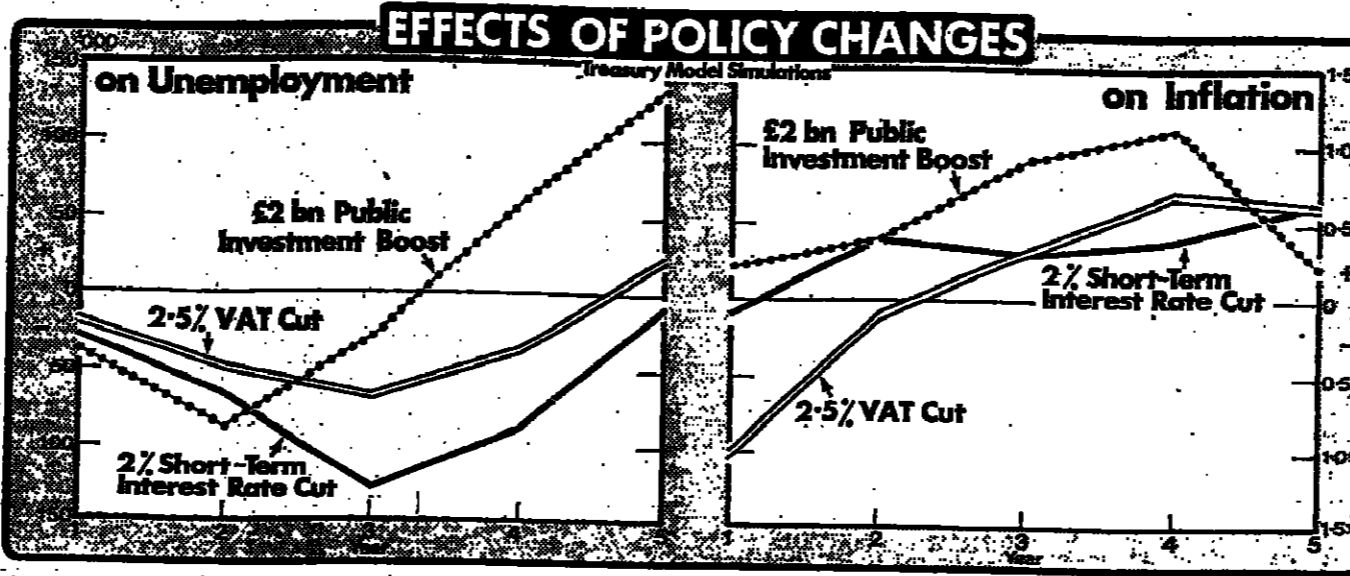
The National Economic Development Office (NEDO) has made an exhaustive study of whether the gains in manufacturing productivity reflect an enduring change of trend; and not surprisingly the statistical findings are ambiguous. In each of the past three recessions, there have been "exceptional" productivity gains. These have been by far the largest in the last recession, but so has the recession itself. The evidence for a more fundamental change of trend is not yet statistical but comes from anecdotal (but still important) evidence that companies have responded to the recession by developing new products, opening up new markets overseas, and made improvements in working arrangements and management practices.

The Treasury in its papers attempted to allay fears that higher productivity would mean more unemployment. It fed into a version of its forecasting model a once-for-all 1 per cent increase in productivity, together with a once-for-all improvement in non-price competitiveness. The projections showed a very modest 10,000 rise in unemployment in the first year, reversed in the second, with the eventual effect of a 50,000 decrease in unemployment.

The kind of productivity improvement which is bad for jobs is that associated with excessively expensive labour or excessively cheap and subsidised capital, leading to too rapid a substitution of machines for people. The Treasury projections envisage on the other hand an improved human performance "pricing people into jobs," in a manner akin to lower wage increases.

Indeed the Chancellor's most controversial projection is designed to show that a once and for all 2 per cent drop in money earnings, relative to the forecast, will boost and not curtail employment. His paper concedes that there will be a reduction in real spending power for those already in work, not entirely eliminated over five years. On the other hand export competitiveness is boosted; and company profits and investment also improve. The real value of government spending, corresponding to the cash limits, rises. Unemployment starts falling from the very beginning and is after five years over 100,000 lower while GDP is nearly 1 per cent higher.

The Treasury results might, however, have been more comprehensible and convincing if there had been an explicit policy assumption that total national expenditure (Money GDP) would be maintained on a broadly stable trend. In that case it would be automatically improved business performance would be bound to generate more output even if some of the



Graham Lewis

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Treasury's detailed relationships turned out to be wrong. The projections originated in response to a TUC request to investigate the effects of higher public investment or a reduction in VAT. As the charts show, the public investment increase leads to a temporary reduction in unemployment which is more quickly and decisively reversed than in the case of a VAT cut.

A 2 1/2 per cent cut in VAT brings no permanent gain to employment either, but the transitional benefit lasts longer and the kickback is less severe. The main difference from the public investment case is that there is an initially favourable impact on inflation, and wage settlements are less. This offsets for a while the effects of higher interest and exchange rates on the corporate sector.

Thus in the short to medium term period in which spending injections can affect activity, a cut in consumer taxes seems far more helpful than the more virtuous sounding route of higher public investment.

Critics will certainly say that the disappointing results of fiscal stimulation comes from the monetary targets which force the Chancellor to bid up interest rates to finance a higher Budget deficit. The Chancellor has tried to anticipate the attack by including a third projection showing short-term interest rates held at 2 per cent below what they would otherwise be, irrespective of the money supply effects. The boost to employment indeed lasts

longer, but is still nearly gone within five years. As the Chancellor's opening remarks emphasised, the idea that interest rates could be permanently reduced by fiat is extremely unconvincing. In practice any attempt at a large-scale combination of the three types of boost shown in the charts would lead to rapid inflation and exchange rate depreciation and thus to much higher rather than lower interest rates. Once confidence was lost, adverse effects, which take several years in the model, could occur overnight.

As numerous government critics claim that alternative policies are based on "the Treasury model," the Chancellor's paper has the debating purpose of showing that two can play this game. The main practical use of such models is to demonstrate the detailed paths by which economic relationships work themselves out in a complex non-barter world.

Forecasting models can make some contribution to the discussions of modest deviations within a given policy framework.

But neither the Treasury nor any alternative model can save one the intellectual effort of coping with radically different views of how the world works or choosing between alternative policy frameworks. These are matters on which we have to instruct the models far more than the models can instruct us.

IF BRITAIN has to go to war with Argentina for want of a negotiated settlement on the Falkland Islands, President Reagan may well have to choose between his "two friends" who will be locked in such a regrettable conflict. Any equivocation then in his backing for the UK could cost him the loyalty of Mrs Thatcher and her government who have been his staunchest defenders during what many European politicians believe is an awful period in Atlantic relations.

So awful, in fact, that we are witnessing an unusual flowering of ideas for treating the infection in Europe-American relations. The Belgian Foreign Minister, Mr Leo Tindemans, talks of the need to wrap "new structures" around the relationships. Herr Hans Dietrich Genscher, his West German counterpart, wants regular informal "off the record meetings" of Nato foreign ministers and Italy's Sig Emilio Colombo has called for a "Euro-American friendship pact."

There is more attitude than analysis behind these European utterings. They reflect a feeling—which was not shared incidentally by Lord Carrington—that the relationship with the U.S. is suffering more than its usual degree of difficulty. There is a sense in the capitals of continental Europe that existing alliance structures are failing to deliver sufficient mutual understanding and policy alignments on key security, economic and political issues to satisfy politicians and public opinions on the two sides of the Atlantic.

On the European side, there is also a feeling that the alliance's problems stem partly from the inability of European governments to present a sufficiently coherent, cohesive and consistent front in dealing with the U.S. on the major issues. More often than not European diplomats and politicians spend their time trying to develop a common reaction to U.S. policies on the Middle East, Central America or East-West relations rather than on creative diplomacy of their own.

But as Sig Colombo made clear in his lecture at George-

town University, Washington, recently there is still sufficient identity of interests between the two sides of the Atlantic to yield a common view that "Moscow no longer intends to respect the general rules of conduct between the two super-powers which were agreed by Nixon and Brezhnev in 1972."

The increasingly urgent question, however, is how to secure more smoothly a common response when, as the Italian Minister pointed out, powerful sections of U.S. public opinion are in favour of a test of strength with the Soviet Union while in Europe there is some drift "in the direction of a dangerous neutralism."

Part of the answer must lie in a more fruitful search for a new alliance structure which does more to reconcile U.S. and European public opinions and in the process strengthens the obligation on government leaders to reach agreed positions.

The first step in this direction might be the creation of a new Atlantic Assembly which would meet at least two or three times a year. Membership would comprise key congressional leaders in the foreign policy field and their counterparts from the 13 European members of Nato. The Assembly, however, must be independent of the Nato structure because its concerns would be global foreign policy and security issues.

There would be little point to its existence, however, if it were just another talking shop for politicians. Its meetings should come both before and after discussions by foreign ministers meeting outside the Nato framework who would provide representatives to explain and justify member governments' policy decisions.

It could also, of course, be risky and dangerous, serving only to highlight divisions. Government leaders on both sides of the Atlantic are already so intimidated by their economic and political problems that none are disposed to take any more risks than they have to. But arguably only an imaginative and creative solution will be sufficient to control seriously diverging currents of public opinion on the two sides of the Atlantic.

Lombard

Need to bridge the Atlantic

By John Wyles in Brussels

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Letters to the Editor

The Falklands: military action not the only way

From Lord Noel-Baker
Sir,—May I thank you for your admirable article of April 5. "Jingoism is not the way." You are right to emphasise the great significance of the Security Council Resolution's 10 votes to 1 against aggression, with four abstentions. You are right to explore the need for long-term solutions for the Falklands problem, and peace as the only means of bringing pressure on the Argentine junta.

The Argentine aggression has a double significance for Britain and for British citizens: it is an impudent and immoral insult to our national pride, intended to humiliate us in the eyes of the world, and to show that we have no longer enough military, naval and air strength to protect our fellow citizens in the Islands; and it is a flagrant crime against the charter law of United Nations, by which our legal rights have been scandalously violated.

Many British people seem to think that the military insult to our national pride is what matters most and not only military re-conquest of the Islands by our armed forces can put things right. As you suggest, this is a shortsighted and dangerous view. The re-conquest of the Islands might cost us the precious lives of many of our troops; it would put the islanders and the large British community in Argentina in dire peril. If we fired the first shot the whole world would be against us. But if we stand on our legal rights in the UN we may have virtually universal backing. It is the vital interest of every member state in the UN that Argentine forces should be speedily withdrawn from the Islands. If we urge in the committee that no UN member can rightly maintain normal relations with a Government which

Trafalgar House and Redpath Dorman Long

From Mr R. Orr
Sir,—May I, a former general manager of Redpath Brown and a director of Redpath Dorman Long until retirement, comment on the announcement (April 3) last that RDL is to be sold to Trafalgar House by British Steel Corporation for £10m.

Pakistan's earnings

From Mr Q. Ahmadullah
Sir,—I am writing to you with reference to Mr David Dewell's report "Pakistan's earnings hurt by rupee rise," which appears in March 8. It appears that Mr Dewell did not have the full facts available to him, when he painted rather a gloomy picture of Pakistan's balance of payments. The fact of the matter is that Pakistan's balance of payments on turn for the fiscal year 1981-82 is far better than that of most of the oil importing developing countries despite the fall in the commodity prices and recession in the world economy.

been considerable increase in exports of cotton cloth, garments and textile made-ups. During the first eight months of the current fiscal year, there has been an increase of 27 per cent in the export of cotton cloth. Likewise there has been an increase of 25 per cent in the export of leather and 86 per cent in the export of fish and fish preparations. In many other manufactured goods, the increase in dollar earnings has been of the order of 10 per cent to 20 per cent despite appreciation of the dollar.

In the context of export earnings, it has to be borne in mind that the delinking of the Pakistani rupee would show its results during the second half of the fiscal year. The new exchange rate arrangement has already started showing results and during February alone the increase in net current inflows was about \$100m. Pakistan's liquid foreign exchange reserves presently are around \$850m, much higher than the reserves last year at this point of time. If Mr Dewell's prediction about Pakistan's imports being around \$6.5bn was correct, by now the entire foreign exchange reserves of Pakistan would have exhausted.

Dividends by mail

From Mr R. Adams
Sir,—I wonder if there is any early prospect of persuading companies and their secretaries or finance directors to cease the somewhat undignified practice of paying or mailing dividends to shareholders on Thursdays by second-class mail. I judge the custom is now quite widespread; it means that paying-in of dividend warrants to a bank is delayed by 48 hours, an irritating penalty for the shareholder, and a considerable bonus for the company.

In making the statement regarding the prospects of exports for the current fiscal year, three important factors have been ignored by him; that Pakistan had low stocks of cotton and rice at the beginning of the year as a result of excellent export performance of the past year; the bulk of the exports of these commodities takes place in the second half of the year as new crop is available for export in the middle of the year; and that while export earnings of cotton and rice have been less than expected due to the fall in international prices, Pakistan has been able to partly compensate for these losses through promotion of exports of other manufactured goods. In the textile group, there is a shift towards items having greater value-added element. While there has been shortfall in export of cotton yarn, there has

there has been a negligible increase in the POL prices. There has also been a steep fall in the prices of edible oil and steel. As far as fertilizer is concerned, Pakistan has become self-sufficient in nitrogenous fertilizer. Consequently, fertilizer imports in the current fiscal year have been one-third of the imports last year.

For the reasons mentioned, the revised estimates of Pakistan's imports are \$5.85bn. Pakistan's trade gap is, therefore, not likely to exceed \$3bn and this position is clearly established by current level of foreign exchange reserves. Qazi M. Ahmadullah, Joint Secretary, (External Finance), Ministry of Finance, Islamabad.

Finally what about the people involved? Following a financially disastrous five years which has involved many redundancies at all levels the company has returned to profitability in the year just ended. It has, I understand, a good forward order book much of which is for export. Why does BSC choose this time to destroy the company? If it had already decided to do so then why confirm the new chief executive's appointment on January 1, 1982?

01-248 9166. ONE SET OF FIGURES EVERY PENSION FUND SHOULD KNOW ABOUT

It's the telephone number of Barclays Investment Management Limited, a wholly-owned subsidiary of Barclays Bank Trust Company. We specialise in providing full investment management services to institutional and corporate clients and we are one of the leading investment houses in Britain. Funds under management exceed £2,000 million of which £1,400 million consists of the investment portfolios we manage on behalf of company pension funds. As you would expect from the size of these figures and from our Barclays Group pedigree, Barclays Investment Management Limited possesses the skills and resources needed to manage your company's pension fund—and to do it very well—whether yours is still a medium-sized company or a multi-national corporation. If you would like to know more, the man to talk to is Bill Hilling, Director and Investment Manager, Barclays Investment Management Limited, Juxon House, 93 St. Paul's Churchyard, London EC4M 8EH. Ask him about the kind of performance his fund managers have achieved over the past five years, the quality and extent of the service pension fund clients can expect to receive and the comprehensive administrative back-up that can be included in the package if required. We think you'll be impressed with his answers. BARCLAYS

Phoenix Assurance falls to £30m: lifts payout

PRE-TAX profits of Phoenix Assurance declined by 65 per cent last year from £32.2m to £9.0m, when a 23 per cent rise in investment income from £49.5m to £51.5m just failed to cover the 72 per cent increase in underwriting losses from £20.6m to £33.4m.

Lower tax charges and minority interests softened this decline so that net profits barely slipped from £18.8m to £16.0m, with the earnings per share dropping from 27.5p to 27.4p.

The group which celebrates its bicentenary this year, is lifting its dividend by 13 per cent with a final of 9.5p to add to the interim of 7.5p.

General premium income rose by 15 per cent last year from £27.5m to £31.2m, while long-term premium income advanced by nearly 40 per cent from £108.9m to £151m. The solvency margin at the end of 1981 was 53 per cent, the underlying Bradford Pennine, was around 12 per cent.

However, underwriting losses in the UK were reduced by a quarter from £8.5m to £4.5m, with losses on the motor business being cut from £5m to £2m. Competition during the year for private motor business remained intense.

The adverse weather in

HIGHLIGHTS

Lex looks at the recovery of the stock market yesterday following news of the first soothing words to come out of Argentina since the Falkland Islands invasion. The column goes on to examine the 1981 figures from Jardine, Matheson & Company, which shows after-tax earnings up 38 per cent, and Hongkong Land Company, where the reported growth is 134 per cent. However the extensive cross shareholdings between these companies makes analysis very murky. Lex also considers the attempts to mend the damage at Gill & Duffus, where pre-tax profits plunged from £23m to £12.8 last year, and discusses the warning of a likely loss at the international fine art auction house Sotheby Parke in the year to August. Lord Westmorland gives the warning along with the announcement that he is to step down after two years as Sotheby's chairman.

December cost the group more than £1m in bad weather claims and left its mark on the commercial property and household goods divisions. Bad weather in the early months of 1982 is likely to cost nearly £2m. The liability account was in profit. Underwriting losses in the U.S. nearly doubled from £5.8m to £11.5m, with the operating ratio rising to 107.9 per cent to 110.5 per cent.

Losses in Canada more than doubled from £1.5m to £3.9m, with the substantial rate increases made last year coming too late to materially affect the result. While little improvement in 1982 is expected in the U.S., the group feels that prospects are brighter in Canada.

Losses in Australia amounted to £4.3m and the group has now merged its business there with the Prudential Corporation, New Zealand and South Africa both made losses after several years of good results.

Northern Europe generally suffered from the bad weather in December, particularly Denmark. There was some improvement in Belgium, but recovery in Spain was slow. Underwriting profits were made in other African territories and in the Far East.

The group has announced its bonus rates on life business following the valuation of the funds at the end of 1981.

On UK business, the reversionary bonus is maintained at 55.75 per cent of the sum assured, while an equity bonus of 10 per cent of total attaching bonuses has been declared for the third year running.

The company is continuing its policy of cutting back terminal bonuses in favour of equity bonuses. The terminal bonus is now 21 per cent of the sum assured for each year before 1987.

Benford rises and pays more

ON HIGHER turnover of £24.3m, compared with £21.52m, Benford Concrete Machinery expanded its pre-tax profits from £2.31m to £2m for the year ended December 31 1981.

Stated earnings per 10p share improved to 7.59p (5.98p) and a bigger final dividend of 2.15p (1.75p) makes a net total of 3.25p, against £2.625p.

Tax for the year took £1.32m (£238,000) leaving an attributable profit of £1.68m (£1.68m).

Mid-year profits were lower at £930,000 (£1.53m) but were 20 per cent above those of the second six months of 1980.

Airsprung earns and pays more

TIGHTER CONTROL of expenses and a fall in interest charges meant Airsprung Group, the bed manufacturer, was able to offset an exceptional debit of £91,517 to achieve an increase in pre-tax profits from £548,885 to £820,227 for 1981.

Earnings per 10p share before extraordinary debits of £53,895 (nil) advanced from 5.3p to 8.8p and after such items they amounted to 7.7p. On these the final dividend is held at 4.3p for a 4.3p (3.3p) total.

The company continued to hold its share of the market but, as this reduced, turnover declined from £14.57m to £13.54m. Trading profits, however, improved from £582,331 to £753,024, with interest taking £33,581 (£151,076) and share of associates adding £13,001 (£7,610) the result before exceptional debit showed a 30 per cent increase from £548,885 to £820,227.

The exceptional charge covers start-up expenses of Therapeutic UK, with Mr John Yates, chairman, saying production started on schedule and he is confident that the company will become profitable during the current year.

The better group results, he states, enabled investment of a further £420,000 in up-dating plant and vehicles.

At the end of 1981, £1,310 (£185,749), there were minority profits of £2,485 (£35) and extraordinary debits were in respect of costs incurred in closing Airsprung (Construction). After these deductions, the attributable earnings per share stand at £83,081 to £443,497.

The company's shares are dealt in on the over-the-counter market made by M. J. H. Nightingale and Co.

Aurora slumps to £5.24m losses

LOSSES OF £5.24m before tax for 1981 were announced yesterday by the special steels, engineering and castings group, Aurora Holdings. The losses compare with profits of £1.83m in the previous year.

The final dividend, like the interim, has been passed. The group paid a single dividend of 1.55p per share as an interim for 1980.

The attributable deficit for the year comes out at £8.71m after a £1.68m tax charge (arising from the profitable overseas operations) coupled with the costs of closing nine subsidiaries and rationalising yet further the loss-making special steels division.

Excluding the effects of the "collapse of the special steels industry", as the group described it yesterday, the results and £1.2m trading deficit on operations closed or sold, Aurora made profits of £7m against £3.38m before interest and tax.

Interest charges amounted last year to £2.22m against £8.41m and the "reduction of the debt equity ratio is the major priority during this year."

The balance sheet shows shareholders' funds of just under £11m, down from £21.68m, while net assets stand at £20.5m, finance leases were £3.74m and overdrafts had climbed from £4.31m to £6.63m. Redeemable preference stock amounts to £8.73m.

Despite a fall from £136.38m to £113.6m, creditors' balances were still more than £3m at the year end, although these have since been reduced by some £5m.

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding div. year	Total last year
Airsprung	2.3	—	2.3	4.3
Aurora Holdings	Nil	—	Nil	1.58
Assoc. Book	2.15	May 28	4.7	7.5
Benford Concrete	1.75	—	1.75	2.63
Expanded Metal	2.5	—	2.5	4.5
Fathergill and Harvey	5t	—	5	7.75
Gill and Duffus	4.3	July 1	4.8	8.4
Hazleigh Group	0.9	July 1	0.8	1.7
Lead Industries	5.96	—	5.96	8.66
Lec	5.25	May 31	4.07	5.55
Albert Martin	Nil	—	Nil	0.1
Padang Semang Rubber	0.9	—	1.1	1.1
Phoenix Assurance	9.5	—	9.5	14.9
Photo-Me	3.15	May 14	3.15	16.5
Portak	1.2	July 1	7.5	14.0
Rubberoid	2.46	—	2.46	3.36
Scottish Cities	3.4	May 14	2.65	4.7
Sennah Rubbers	4	April 26	4	11.5
Wm. Studdall	4	Oct 1	4	40
George Spencer	Nil	July 8	5.5	5.5
Stewart Wrightson	9.15	Oct 1	Nil	0.1
Steel Alliance	23.5	July 1	8.15	13
Tioxide	6	—	Nil	12
Ward White	2.5	June 11	2.5	4.2

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Gross throughout.

Mr Arthur Watt, managing director, said that management figures for the quarter to March showed a pre-tax profit and the group expects the improved performance to continue.

After accounting for extraordinary costs and provisions relating to the closure of six sites, Aurora Steel's losses increased from £2.8m in 1980 to £9.9m last year.

The Government has provided about £1m towards the closure of the group's modern, 300,000 sq ft. finishing plant at Ecclesfield, North Sheffield, and Aurora is applying for a further £500,000 of Government aid to re-equip the mill production facilities at Openshaw, Manchester, for fully integrated production. The unit is expected to be fully operational in mid-year and the group is encouraged by the outlook despite the continuing price war.

It is likely that Aurora will announce a major disposal within the next six months in an attempt to strengthen the balance sheet although the next tranche of term loan repayment, of £2m, does not fall due until the end of the year.

The group is looking at several possibilities, among them the profitable Australian and Canadian manufacturing operations. The overall non-UK contribution climbed by just over a tenth to about £2m before interest last year but they attract high rates of tax.

The payroll has been slashed from 7,700 to just under 4,000 in the last 18 months and one last significant closure is under active consideration.

Mr Watt expects the combina-

tion of new management and export replacement for Rolls-Royce orders will lift the George Turton, Platts subsidiary out of last year's £750,000 loss into a significant profit.

Mr Watt pointed out that the special steels division's external sales now account for one-eighth of the total group turnover.

The fasteners contribution, traditionally worth between £1m and £1.5m, is expected to be maintained.

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LIG boosted by Tioxide recovery

AIDED BY a recovery in pre-tax profits from £7.22m to £15.3m at the 50 per cent owned associate Tioxide Group, profits of Lead Industries Group showed an improvement from £10.3m to £11.3m for 1981 following a reduction from £2.8m to £2.2m at the interim stage.

The trading profit was up from £23.4m to £27.5m and included a contribution from associates increased from £11.5m to £15.7m. The directors state that apart from the Tioxide return there was some improvement in the overseas associates.

They also state that the trading profit of the UK subsidiaries for the year was below that of 1980 but the rate of profitability was better than during the second half of 1980 and the 1981 first half. However, there were some loss-making operations and a further reduction in numbers employed had to be effected as rationalisation of these areas continued.

The directors say that there were very difficult trading conditions in the U.S. and no sign of economic recovery. Despite this some of the group companies there have improved profits but this did not compensate for the impact of high interest rates and lack of demand from construction and automotive industries.

Good results overall were achieved by the European subsidiaries. South Africa produced

lower profits while India showed a fair increase.

The directors say that the state of economies of most countries does not yet give any grounds for immediate optimism. Some parts of the UK business were adversely affected by the January weather and overall results from associates show a disappointing start.

For the group, in general, even at current level of demand, some further benefit from cost reductions, particularly in the U.S. is being achieved, and lower interest rates should help towards an improvement. The 1981 profit was struck after interest of £16.2m (£13.1m).

Group sales were up from £402m to £429.6m including £150.1m (£125m) proportion of the current year. Unfortunately the profit was struck after additional depreciation on current values of £4.8m (£3.3m). Net profit for the year came out at £16m (£7.6m) after heavier tax earnings amounted to 3.5p (18.1p) or 14.9p (30.7p) after depreciation on current values.

The dividend is maintained at 9.66p per 50p share, with a final of 5.96p.

At Tioxide Group sales rose from £176.6m to £200m. After tax and minorities the attributable balance comes out at £13.9m (£2.8m). Earnings per share were up from 9p to 16.6p. The final dividend is 5p making

10p—there was no payment in 1980.

The directors say that there were significant productivity improvements throughout the group particularly in the UK, and these, combined with better margins from more favourable exchange rates and some price improvements, led to better profits.

Profits slide at Walker & Homer

DESPITE increased market share at Walker and Homer Group, manufacturer of upholstered furniture, margins continue to be under severe pressure. Pre-tax profits for the six months to January 31 1982 showed a fall from £42,480 to £23,592, while turnover more than doubled from £3.38m to £7.45m.

The second half is traditionally the most difficult part of the year, says Mr David Mears, chairman, and as a result he is not optimistic in the short-term, particularly while the restrictive economic situation continues.

In the last full year pre-tax profits of £29,457 were made, turnover of £6.11m.

Earnings per 5p share this time fell from 0.53p to 0.18p. The last dividend paid was a final of 0.45p in 1978.

Lifestyle contributed £134,567 to the six months profit.

Midland Bank in world's top 10

Midland Bank's acquisition of a majority stake in Crocker National Corporation has led to a substantial growth in the group's balance sheet to £41bn and achieved one of its major strategic objectives of putting it among the world's top 10 banks.

Midland's annual report for 1981 underlines the way in which Crocker acquisition has transformed the bank. Foreign currency deposits now account for 60 per cent of the group's £37.75bn deposits and foreign currency advances account for £17,538m of its £27.6bn of advances.

Sir David Barran, who retires as chairman of the Midland Bank at the annual general

meeting on May 7, rebuts the criticism that banks do not lend sufficient to industry, do not support small businesses enough, and lend generously to the personal sector.

"Within Midland Bank plc, advances to industry and commerce account for no less than 18 per cent of total advances to UK residents in sterling and currency, with a further 13 per cent advanced to the financial and agricultural sectors and 23 per cent to the personal sector," says Sir David.

The rate of increase in costs year on year has shown a welcome deceleration from 31.2 per cent in 1980 to 27.6 per cent in 1981. After excluding the acqui-

sition of Crocker and Triukhans and Burkhardt, the underlying increase in Midland's overall costs was only 16 per cent.

Sir David says that "strict control continues to be exercised over all costs and we are confident that initiatives to increase productivity will in due course benefit profitability."

Shareholders will be asked at the annual general meeting to approve changes in the articles of association, including the deletion of an existing article which entitles directors to refuse to register a transfer of shares to "foreigners". The meeting is scheduled for May 7 at the group's headquarters in Poultry, London EC2.

Geo. Spencer moves deeper into the red

Losses at George Spencer, manufacturer of knitwear and leisurewear, increased in the second half of 1981, leaving the full year pre-tax deficit at £177,000 against a £1,000 profit last time.

This follows a rise in losses from £22,000 to £38,000 at half-way, when the directors said the remainder of the year showed promise of an improvement in customer demand.

The final dividend has again been omitted so the interim payment of 0.1p net is left to stand against last year's interim of 0.5p.

Turnover for the 12 months amounted to £12.9m (£13.03m), tax absorbed £14,000 compared with a credit of £86,000 and there was a loss of 3.3p (1.2p earnings) per 25p share.

An extraordinary debit this time took £282,000 (loss on losses on reorganising manufacturing activities in the fabric knitting and direct retail business. Provision was made for losses in 1981 and a further deficit is expected for the current year. On a CCA basis the loss before tax was £503,000 (£336,000).

lower profits while India showed a fair increase.

The directors say that the state of economies of most countries does not yet give any grounds for immediate optimism. Some parts of the UK business were adversely affected by the January weather and overall results from associates show a disappointing start.

For the group, in general, even at current level of demand, some further benefit from cost reductions, particularly in the U.S. is being achieved, and lower interest rates should help towards an improvement. The 1981 profit was struck after interest of £16.2m (£13.1m).

Group sales were up from £402m to £429.6m including £150.1m (£125m) proportion of the current year. Unfortunately the profit was struck after additional depreciation on current values of £4.8m (£3.3m). Net profit for the year came out at £16m (£7.6m) after heavier tax earnings amounted to 3.5p (18.1p) or 14.9p (30.7p) after depreciation on current values.

The dividend is maintained at 9.66p per 50p share, with a final of 5.96p.

At Tioxide Group sales rose from £176.6m to £200m. After tax and minorities the attributable balance comes out at £13.9m (£2.8m). Earnings per share were up from 9p to 16.6p. The final dividend is 5p making

"Enterprise is plainly not dead"

Points from Mr. P. R. Dugdale's Statement to Shareholders.

The deterioration in trading conditions from late 1979 is now clearly in evidence, the 1979 underwriting account having closed at 31st December last with a much reduced profit of £1,966,852. As to the future, the reduced balances on the open 1980 and 1981 underwriting accounts provide a clear indication that difficult trading conditions remained with us throughout both these years and to date it would appear that one can expect little improvement in 1982.

the 1980 record of about £3.8 million to nearly £4.9 million last year.

The recession was also notable for producing, in 1981, the highest number of business failures ever recorded in this country, a fact that was also fully reflected in our figures. The businesses that failed ranged from small firms to major public companies and, in the latter context, I would draw your attention to the further batch of household names that have already made the failure headlines in 1982.

Results and Dividends

To the profit on the 1979 underwriting account of £1,966,852 must be added investment income of £1,864,324. After allocating £33,047 to the U.K. Employee Share Scheme and charging taxation of £1,889,715 the net profit for the year was £1,908,414.

The recommended final dividend of 4.55 pence per share together with the interim dividend of 2.365 pence represents an increase on the previous year of 9%.

Prospects

So far in 1982, evidence of a recovery has been lacking, both in the national figures and in our own experience. This does not, however, prevent our appreciating certain broader encouraging trends on an otherwise dismal industrial scene. Productivity has risen significantly - up 10 per cent in a year. Export volumes have been well maintained. Inflation is beginning to recede. Above all, new businesses are being formed at a remarkable rate - more in 1981 than in 1980.

Enterprise is plainly not dead and is being encouraged further by the deliberate fiscal policies of the Government.

Bearing in mind the substantial additions we have made to our portfolio of policies in recent years and the sustained impact of our marketing effort, economic recovery, when it comes, can only have a beneficial effect on our figures.

General

For all practical purposes, 1981 may be regarded as a year of recession, the repercussions of which on our own experience were only too apparent. On the income side, insured turnovers on and premium receipts from our existing portfolio of policies suffered severely from the depressed levels of business transacted by many of our insureds, reflecting the decline in production and the high rate of de-stocking by manufacturers and distributors alike.

At the same time, however, the business community's awareness of these conditions meant that our intensified marketing efforts were amply rewarded, with projected new business premiums jumping from

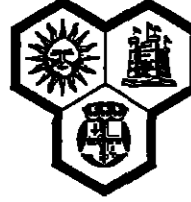
	1981	1980
Premiums Written	£29.66m	£26.93m
Profit after Tax	£1.91m	£2.60m
Shareholders' Funds	£12.04m	£11.10m

Copies of the Report and Accounts for 1981 are available from The Secretary, Trade Indemnity House, 12-34 Great Eastern Street, London EC2A 3AX.

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SUN ALLIANCE INSURANCE GROUP

The audited results for 1981 are as follows:-

	1981	1980
	£m	£m
Premium Income	703.6	599.2
General Insurance	173.3	143.3
Long-term Insurance	530.3	455.9
Profit before Taxation	70.9	68.3
Taxation	28.7	27.5
Profit after Taxation	42.2	41.5
Minority Interests	0.4	0.3
Profit attributable to Shareholders	41.8	41.2
Dividend	21.2	18.3
Profit retained	20.6	22.9
Earnings per Share	84.5p	83.6p
Dividend per Share	43.0p	33.0p

TERRITORIAL ANALYSIS OF GENERAL INSURANCE RESULTS 1981

	1981	1980
	Premium Income	Underwriting Result
	£m	£m
United Kingdom & Ireland	342.7	7.6
Europe	72.6	(1.5)
U.S.A.	70.5	(4.4)
Canada	29.7	(6.6)
Australia	34.8	(16.3)
Other Overseas	49.0	(8.2)
Reinsurance	33.2	(4.9)
Marine & Aviation (worldwide)	63.2	—
Total	703.6	(36.5)

UNDERWRITING RESULTS.

General business premium income increased by 17.4%. Excluding the effect of changes in exchange rates, the underlying growth was 11.8%.

After favourable experience for most of the year, the United Kingdom results were seriously affected by the severe weather in December, estimated to have cost £14m; despite this, the personal and commercial property accounts remained in profit. There was a marked improvement in the liability account, largely due to releases from prior years' claims reserves, but motor and engineering business continued to show losses. The results also bore exceptional costs of reorganising the U.K. branches.

Results in Europe with few exceptions were again poor.

In the U.S.A., automobile and casualty results deteriorated sharply while in Canada, where all major lines were unprofitable, there was a serious worsening in automobile experience.

In Australia, all classes of business contributed to the heavy underwriting loss but the main deterioration was again in the workers' compensation account.

Elsewhere overseas, results were generally unsatisfactory and exceptional losses were suffered in several territories.

The increased reinsurance loss reflects the difficult conditions in the market. The 1979 Marine and Aviation account closed with a loss but in view of the adequacy of the reserves no transfer from Profit and Loss Account has been necessary.

LONG-TERM INSURANCE

There was an increased contribution from the main Life Fund following the valuation as at 31st December, 1981.

INVESTMENTS

Investment income increased by 24.0%. The underlying growth, after allowing for changes in exchange rates, was 18.1%.

The Group's solvency margin at the end of the year was 92%.

DIVIDEND

The Directors have resolved to declare at the Annual General Meeting on 26th May, 1982, a total dividend of 43.0p per share in respect of the year 1981. An interim dividend of 19.5p per share was paid on 8th January, 1982, and the final dividend of 23.5p per share will be paid on 8th July next.

Full Accounts and the Chairman's Statement will be posted to shareholders on 23rd April, 1982.

7th April, 1982.

IN BRIEF

GARTON ENGINEERING—Results for 1981 reported March 28. Group total assets £2.5m (£2.5m). Current assets £2.1m (£2.6m) and liabilities £2.4m (£2.3m). Negotiations at an advanced stage towards merging the bolt manufacturing interests with the same manufacturing activities at Francis Partner, Weston, Weymouth, Dorset, April 28.

NATIONWIDE LESURE (property and leisure group)—Results for 1981 reported March 18. Shareholders' funds £7.9m (£7.3m); net assets £2.2m (£2.0m); assets £755,402 (£759,325); current liabilities £265,471 (£269,988); including creditors £201,522 (£205,819). Capital commitments £225,000 (nil). Meeting: Café Royal, W, April 22, at 11.30 am.

The Lombard 14 Days Notice Deposit Rate is

12%

Lombard North Central PLC, 17 Britton St, London W1A 3DH. For details phone 01-409 3434.

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Companies and Markets

UK COMPANY NEWS

Rise for Austin Reed

BEFORE TAKING account of extraordinary items, profits before tax of Austin Reed Group rose from £1.78m to £2.03m in the year ended January 31 1982. The dividend is held at 3.35p net, with an unchanged final of 2.48p.

Turnover for the year rose from £42.8m to £44.8m, of which £29.2m (£28.9m) represented sales to UK retail customers. After tax £817,000 (£244,000), extraordinary debits £384,000 (credit £79,000), and the preference dividend £19,000 (£20,000), there was £280,000 (£277m) attributable to ordinary shareholders. Earnings are shown at 4.7p (18p). The OCA profit before tax was £1.90m (£1.17m).

Photo-Me shrinks at halfway

DESPITE A larger volume of business, the effect of inflation on costs, coupled with the contained selling prices, has resulted in a modest improvement in sales in the six months to October 31 1981. But higher depreciation of £1.09m against £765,000 resulted in the pre-tax figure falling behind at £1.37m compared with £1.48m.

Gill & Duffus down by £10.3m—dividend held

INTERNATIONAL COMMODITY broker Gill and Duffus Group reports a drop in pre-tax profits from £23.0m to £12.5m for 1981, which is in line with the second revised forecast made in February.

The group was hit by "substantial unauthorised trading" in the Hong Kong subsidiary, which resulted in losses of just over £7m. Losses of £1.8m were also incurred in a U.S. money markets venture.

Ruberoid leaps 48% to £3.4m

SECOND HALF taxable profits earned by Ruberoid of £2.33m, compared with £1.46m, brought the figure for 1981 to £3.28m—a rise of 48 per cent over the previous year's £2.22m. Turnover for the 12 months was 17 per cent higher at £52.76m against £45.21m.

Mr Pearson says that the group's activities through Gill and Duffus Securities, into the U.S. money markets, which started at the end of 1980, "proved to be a disaster." Its losses, including closure costs, have all been charged to the 1981 profit and loss account.

Mr Thomas Kenny, chairman, says the profits have exceeded the directors' best expectations, and were made in the face of very bad trading conditions.

Stewart Wrightson advances

There was continued downward pressure on premium rates in 1981 as insurers competed aggressively for business, say the directors. However, the group has had success in obtaining new business and brokerage income in constant currency terms rose by 8 per cent.

trading companies have excellent prospects once the world moves out of recession and the broking business on the International Petroleum Exchange, which began in London in April 1981, has made a good start.

Mr Pearson says that trading in the current year in most of the group's markets continues to be quiet. The group is concentrating on developing its newer businesses and on improving management control.

£1.4m from Huntleigh Group

SECOND HALF profits of Huntleigh Group have risen from £390,000 to £906,000. This gives a total of £1.41m for the year 1981, against £1.15m. The dividend moves up to 1.7p with a final of 0.9p—in 1980 the company paid a total of 1.5p.

A. Martin cuts its losses

A REDUCTION from £868,000 to £282,000 in its pre-tax losses are reported by Albert Martin Holdings, the Nottingham clothing manufacturer, for 1981. Turnover slightly higher at £28.56m against £28.06m. No final dividend is being paid, leaving the total at 0.1p. No dividends were paid for 1980.

The directors say the restructuring programme was completed during the second half and the non-recurring costs amounted to £583,027 (£194,000) less than expected. These comprised redundancy costs, and stock and fixed asset losses arising from the re-structuring.

UNIT LINKED ASSURANCE

We have decided that our existing range of life assurance and savings contracts should be extended by the transaction of unit linked life assurance business. Whilst we believe firmly in the merits of traditional life assurance, we also believe that there is a growing demand for contracts from those who find the unit linked approach attractive, despite the inherent investment risks.

PHOENIX ASSURANCE plc

PRELIMINARY RESULTS FOR 1981

The unaudited profit before taxation of £30.1 million for the year ended 31st December 1981 compares with £32.2 million for 1980. The profit after tax and minorities is £16.6 million (1980 £16.8 million). General business premium growth was 15% (7% after adjustment for currency fluctuations). Investment income has increased by 23% (17% after adjustment).

Table with 2 columns: 1981 £m, 1980 £m. Rows include Premium Income (General, Long-term), Profit and Loss Account (Investment income, Underwriting results, General, Long-term), and Earnings per share.

US dollar transactions have been converted at a rate of \$1.91 compared with \$2.39 for the year 1980. At 31st December 1981 group net assets amounted to 58% (1980 65%) of general premium income, after a transfer of £3.0 million (net of tax and minorities) from retained profits and reserves, reflecting transfers made by an overseas subsidiary company from a special reserve to strengthen its insurance funds.

Dividend: The directors recommend a final dividend of 8.5p (1980 8.4p) per share at a cost of £5.8 million (1980 £5.1 million) to be paid on 1st July 1982 to members on the register at the close of business on 4th June. With the interim dividend of 7.3p already paid this represents a 13% increase over the dividends declared for 1980.

Underwriting: The geographical distribution of the general business is as follows:

Table with 4 columns: Region, 1981 £m, 1980 £m, Underwriting balance 1981 £m, 1980 £m. Rows include United Kingdom and Ireland, Europe, United States, Canada, Elsewhere overseas.

In the United Kingdom fire and accident account the weather left its mark on the results for the fourth quarter, with the commercial property and householders classes most severely affected. For the year as a whole, competition for private car business was intense but the underwriting results, whilst in deficit, shows a good improvement on the previous year. The liability account was in profit.

The United States results have suffered from the effects of both inflation and excessive competition with a further increase in the underwriting loss. The operating ratio was 110.5 compared with 107.9 in 1980. Little improvement is expected in 1982.

Canada too has deteriorated. Substantial and much needed rating increases have now been implemented but came too late in the year to affect the 1981 result significantly. Prospects for 1982 are, however, somewhat brighter.

In the other overseas territories, Australia accounts for an underwriting loss of £4.3 million reflecting continuing difficult trading conditions. Both New Zealand and South Africa also made underwriting losses after several years of good results. Underwriting profits have been made in other African territories and the Far East.

Northern Europe, generally, suffered the effects of bad weather in the final quarter, particularly Denmark. There has been some improvement in Belgium; in Spain, due to inflation, recovery to more acceptable results is slow.

The life department has had another good year although group life and pensions business which is dependent on the general economic climate has been depressed. Shareholders' long-term insurance profits have increased from £4.5 million to £5.2 million.

Annual General Meeting: The annual general meeting will be held on Tuesday 25th May 1982 at 12 noon at the Barbican Centre for Arts and Conferences, London. The report to shareholders for the 200th year will be issued on 30th April.

7th April 1982

Boddingtons

BODDINGTONS BREWERIES P.L.C.

Profits rise by 16.8%

Summary of Results: Year to 31st December, 1981. Table with 2 columns: 1981 (£'000), 1980 (£'000). Rows include Turnover, Profit before tax, Profit after tax, Dividend payment per share.

- Points made by the Chairman, Mr Ewart Boddingtons: Turnover increased 18.7% and profit before tax increased 16.8%. The company has continued to gain market share. Investment was maintained at a high level (£2.9m) with the bulk of this going into new plants and repairs and improvements to existing houses.

Annual General Meeting, Midland Hotel, Manchester 11.45 am Friday, 7th May 1982. Copies of the Annual Report may be obtained from: The Company Secretary, PO Box 331, Strangeways Brewery, MANCHESTER M60 3EL.

Boddingtons Strangeways Brewery Manchester

Yearlings total £6.2m

Yearling bonds totalling £6.2m at 14 per cent redeemable on April 13, 1983 have been issued this week by the following local authorities.

Table with 2 columns: Location, Price. Rows include Metropolitan Borough of, Cleveland CC, Glasgow CC, etc.

Britannic Assurance PUBLIC LIMITED COMPANY

INCREASED BONUSES FOR POLICYHOLDERS 15.8% INCREASE IN DIVIDEND FOR STOCKHOLDERS

Statement issued by the chairman, Mr. R. J. G. Williams, on the report of the directors and accounts for the year ended 31st December, 1981.

LIFE BUSINESS: During the year, the life funds increased by £55 million to £549 million. Total sums assured and bonuses for policies in force now amount to £1,167 million in the industrial branch and £801 million in the ordinary branch.

GENERAL BUSINESS: Profit before taxation was £867,000 compared with £607,000 in 1980. The underwriting loss was £762,000 compared with £861,000 last year. This modest improvement stems from better results in the motor and liability accounts.

INVESTMENTS: The most obvious effect of the recession in the United Kingdom on our investments during 1981 was the reduction in dividends. On a strictly comparable basis, that is to say, comparing investments we have held for the whole of 1980 and 1981, our income from ordinary shares was 4.8 percent lower than in 1980.

UNIT LINKED ASSURANCE: We have decided that our existing range of life assurance and savings contracts should be extended by the transaction of unit linked life assurance business. Whilst we believe firmly in the merits of traditional life assurance, we also believe that there is a growing demand for contracts from those who find the unit linked approach attractive, despite the inherent investment risks.

PROFIT AND LOSS ACCOUNT: Transfers from the long term business revenue account were £3,240,000 compared with £2,730,000 in the previous year. £350,000 of the general business profit has been transferred to the general business reserve bringing it up to £1,838,000.

PROFIT AND LOSS ACCOUNT: Transfers from the long term business revenue account were £3,240,000 compared with £2,730,000 in the previous year. £350,000 of the general business profit has been transferred to the general business reserve bringing it up to £1,838,000.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1975=100); retail sales value (1975=100); registered unemployment (excluding school leavers), and unfilled vacancies (000s). All seasonally adjusted.

Table with columns: 1981, 1982, and various economic indicators like Mfg. output, Eng. output, Retail vol., Retail value, Unemp. etc.

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

Table with columns: 1980, 1981, 1982, and various output indicators like Consumer goods, Invest. goods, Intmd. goods, Eng. output, Metal mfg., Textile, Houg. starts.

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

Table with columns: 1980, 1981, 1982, and various trade indicators like Export volume, Import volume, Current balance, Oil balance, Terms trade, Resv. US\$bn.

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HPI, new credit; all seasonally adjusted. Minimum lending rate (end period).

Table with columns: 1981, 1982, and various financial indicators like M1, M3, Bank advances, DCE, BS, HP, MLR, Inflow, lending, %.

INFLATION—Indices of earnings (Jan 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

Table with columns: 1981, 1982, and various inflation indicators like Earnings, Basic matls., Wholesale, RPI, Foods, FT, Commodity, Index, Strg., %.

Companies and Markets

BIDS AND DEALS

MINING NEWS

Barratt Devs. expands in East Anglia

Barratt Developments, the housebuilders, has acquired United Kingdom Development Company, a landholding concern in Norwich and central Norfolk...

Willis Faber in £5.6m deal

Willis Faber, the insurance broker, has acquired, for £5.6m, a 75 per cent interest in the shares of Carter Wilkes and Fane...

BSC raid on Federated Land shares fails

Another attempt has been made to shift a substantial tranche of Federated Land equity ahead of the decision, expected this morning by M P Kent...

Higher tax and gold fall hits mine earnings

THE FIRST examples of the impact on the South African gold mines of the increased taxes announced in last month's Budget...

BRITISH MOHAIR/ MCHARG AND AIRD

British Mohair Spinners has acquired Mcharg and Aird (Holdings) of Bradford for £700,000...

Reorganisation proposals from Le Vallonet soon

Le Vallonet hopes to be able to circulate in the near future detailed proposals for the reorganisation of the company...

CADBURY SCHWEPPE'S

Cadbury Schweppes' plan to acquire 66 per cent of Bioblanc, Spain's largest soft drinks company...

Big synthetic diamond claim Hamersley men staying out

AT A TIME when the world market for large diamonds is particularly depressed, it is reported from Tokyo that Sumitomo Electric Industries has succeeded in producing what it claims is the world's largest industrial diamond...

SHARE STAKES

British Dredging—Following further purchases total number of ordinary shares now owned by Colwyn Holdings is 1,655,156 (10.03 per cent).

Fitch Lovell buys Hedges

Fitch Lovell, the food manufacturing and retailing group, last night completed the acquisition of Hedges, Lancashire-based wholesale distributor of foodstuffs...

SUN LIFE ASSURANCE

By reason of contracts for purchase of 75,000 shares in Sun Life on April 8, 1982 by Trans Atlantic Insurance...

USM listing for Druck

Druck Holdings, the Leicester-based manufacturer of precision pressure measuring equipment, will be coming to the London stock market later this month following the placing of 20 per cent of the company's shares.

MORGAN CRUCIBLE

Morganite Canada Inc., a subsidiary of Morgan Crucible, has contracted to purchase the equity in Permthane Industries of Calgary, Alberta, at a cost of some \$51.8m.

RTZ/TUNNEL ACCEPTANCES

Rio Tinto-Zinc, the UK's largest mining group, said yesterday it had received acceptances for 59 per cent of the issue of ordinary shares...

Laurence Prust launches 'start up' fund

Stockbroker Laurence Prust & Co. has launched a second fund designed to enable individual investors to take advantage of the Government's business start up scheme.

LONDON TRADED OPTIONS

Table with columns: Option, Exercise price, Closing offer, Vol., Opening offer, Vol., Closing offer, Vol., Equity close.

HOSKINS HORTON

Claixon and Garland, an investment company headed by Mr Robin Garland, has built up its stake in Hoskins and Horton...

QUINTON HAZELL

Quinton Hazell has acquired for an undisclosed sum, West Midlands Auto Electrical.

Former TI Raleigh chief gets £85,000

Mr Ian Phillips, the former chairman and managing director of TI Raleigh Industries, the Nottingham bicycle manufacturer, received an £85,000 compensation payment for loss of office from Tube Investments, Raleigh's parent company.

ESPLEY-TYAS

Conditional agreements have been reached by Espley-Tyas Property Group for the acquisition from P. J. Gilman and G. B. Gregory (and others) of their minority interests.

BARTLETT INSC

Bartlett Insurance Brokers Group has agreed with Mr G. N. Clark and Mr R. A. Skinner to purchase their London-based broking business, G. N. Clark. Its name will be changed to Bartlett Clark Skinner Limited.

EUROPEAN OPTIONS EXCHANGE

Table with columns: Series, Vol., May, Last, Vol., Aug, Last, Vol., Nov, Last, Stock.

GT Investment Fund SA. Summary of Results for the year ended 31st December 1981. Consolidated Statement of Operations, Consolidated Statement of Net Assets.

Companies and Markets

UK COMPANY NEWS

Lec rises to £2.9m: pays more

COMMERCIAL AND domestic refrigerator manufacturer Lec Refrigeration increased second half taxable profits for 1981 from £1.2m to £1.7m. This brought the total for the year to £2.9m compared with £2.4m, earned on turnover of £4.07m higher at £28.06m.

With stated earnings per 25p share higher at 4.19p (30.64p) the net final dividend is being raised from 4.065p to 5.25p lifting the total to 9p (55.5p). Tax took £401,000 (£582,000) leaving attributable profits of £2.53m (£1.85m), which retained profits emerged at £2.05m (£1.52m) after dividends absorb £484,000 (£286,000).

On a CCA basis pre-tax profits were £2.75m (£1.85m).

Wm. Sindall progresses at year-end

Pre-tax profits at William Sindall, the Cambridge building and civil engineering contractor, improved from £413,070 to £508,401 during 1981. Turnover rose marginally from £29,35m to £29.5m. The dividend is raised from 5.5p to 6p, but amounts totalling £27,914, have been waived.

£0.7m increase at Scottish Metropolitan

Pre-tax profits of the Scottish Metropolitan Property increased from £2.04m to £2.7m in the half-year to February 15, 1982. The interim dividend is effectively raised from an adjusted 1.11p to 1.5p on capital increased by the one-for-eight scrip issue.

Net revenue from properties amounted to £2.7m (£2.38m), and other income improved from £499,000 to £550,595. However, charges were considerably lower at £25,084 (£37,541), but administration expenses rose from £197,631 to £268,605. Tax charged was £1,27m (£1,05m), leaving revenue available up from £80,400 to £1.5m.

Sun Alliance static after doubled underwriting loss

PRE-TAX PROFITS of Sun Alliance and London Insurance barely improved last year from £69.5m to £70.9m, following underwriting losses more than doubling from £18.4m to £36.8m.

However, shareholders receive a 30 per cent increase in their dividend from 33p to 43p, with a final payment of 23.5p. However, part of this increase arises from the group's policy of catching up on dividend increases held back during the period of dividend restraint.

The underwriting losses were offset by a good investment performance with investment income jumping 24 per cent from £81.5m to £101.1m. Slightly higher tax charges and minority interests saw the profit attributable to shareholders rising marginally from £51.2m to £41.8m. Earnings per share improved from 38.6p to 54.8p.

General insurance premium income rose by over 17 per cent from £569.2m to £703.6m, with long-term insurance income improving by 21 per cent from £143.3m to £173.3m. The underlying growth rate in general insurance premiums, excluding the effect of changes in exchange rates was 11.8 per cent. Similarly investment income showed a true growth rate of 18.1 per cent. The group's solvency margin at the end of 1981 was 92 per cent.

Dutch loss trims Ward White

TAXABLE PROFITS of Ward White Group declined from £3.8m to £3.52m for 1981 although second half figures showed a marginal improvement over those of the corresponding period, emerging at £2.07m, compared with £2m.

The full year results included a £358,000 loss incurred by a Dutch subsidiary in which the group holds a 60 per cent interest. It has been decided to dispose of this interest and the value of the residual investment has been written off.

Expanded Metal continues rise

THE RECOVERY evident during 1981 at Expanded Metal Company is expected to continue through 1982, although at a similarly modest pace, say the directors.

Full year pre-tax profits emerged at £1.6m (£1.07m) with the second half profits coming through at £782,000, compared with a £58,000 loss previously. The extent of this recovery, say the directors, will depend considerably on the group's success in holding down costs.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are to be paid and the subsidiaries shown below are based mainly on last year's timetable.

Table with columns: Company Name, Meeting Date, and Notes. Includes companies like BAI Industries, British International, and others.

comment

In terms of the total UK shoe market Ward White is small but accounting for 5 per cent. With the market's volume changing little year to year from the 260m way, a pre-tax upturn after two years of decline is on the cards.

comment

In terms of revenues, profits and dividends, 1981 was a virtual carbon copy of the previous 12 months at Expanded Metal, reflecting the stagnant nature of the company's core businesses.

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programme in the long history of that company. The required reduction of some 100 people was achieved by early retirements and the acceptance of voluntary redundancy.

Fothergill & Harvey at £1.77m

A RISE in second half taxable profits at Fothergill and Harvey from £781,000 to £1,038,000 was not quite enough to counter the fall in the first six months and the company finished the year to December 24, 1981 down at £1.77m compared with £1.82m.

Net earnings (adjusted for 1981 rights issue) per 35p share of this manufacturer of fluorocarbon based products, fibre reinforced composites and coated and uncoated industrial textile fabrics, fell from 13.12p to 10.02p, but the final dividend is being held at 5p net making a same-again total of 7.75p.

The directors say the continued recession and changes in the Government's defence procurement policies affected the results. Turnover increased because of the acquisition of H. D. Symons and Company in April and Fothergill Composites Inc in August.

comment

Underwriting in the U.S. moved into heavy losses of £4.4m from a profit of £800,000 in the previous year. Automobile and casualty results deteriorated sharply. Results were generally unsatisfactory in all other overseas territories.

comment

Associated losses were lower at £55,000, compared with £130,000. There was a charge for tax this time of £554,000, compared with a previous credit of £508,000. Attributable earnings emerged lower at £201,000 against £1.58m.

comment

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programme in the long history of that company. The required reduction of some 100 people was achieved by early retirements and the acceptance of voluntary redundancy.

Papermaking side gives boost to Portals profit

FOR THE year 1981 pre-tax profits of Portals have risen 11 per cent, from £12.03m to £13.23m. The increase stems entirely from better figures in the papermaking division and a big reduction in unallocated costs net of interest received.

The directors state that the advance in papermaking profit by £1m to £7.5m was reward for the big capital investment programme completed in 1980 and for a major effort by management to improve the products.

Net asset value per share is shown at 350p (276p). On prospects the directors report that the group is strong and healthy and is in much the same position as it was a year ago, viz. enough work has to be won abroad to make up for the loss of business in Britain.

comment

Portals is awash with the stuff it helps to make—money. The group raised some £8.5m through a rights issue last year and still has most of it, plus some £2.53m in net cash balances. It aims to find a suitable acquisition in the U.S., something worth between £2m and £5m, but has been unsuccessful to date.

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Associated Book makes headway

WITH second half pre-tax profits advancing from £1.51m to £2.98m, Associated Book Publishers reports profits up from £1.1m to £4.08m for the whole of 1981. Turnover of this publisher and bookseller rose from £35.81m to £42.72m.

The final dividend is almost doubled from 4.7p to 9p for a net total 9p higher at 12.5p. The group proposes to make a two-for-one scrip issue.

Mr Barry Cardy, the finance director, says the improved figures were mainly a result of cost-saving measures initiated at the end of 1980 and carried through into 1981. He says there was an improved performance in UK book publishing and in general publishing.

comment

The year's trading profit improved from £1,988m to £4,238m. And a breakdown of the figures shows: UK £2,54m (£1,28m); Australia and New Zealand £244,000 (£21,000); Canada £2,07m (£1,14m); U.S. £238,000 (£82,000 loss); associates £5,000 (same); Group administration costs were £371,000 (£244,000).

comment

The pre-tax figure was struck after interest charges down from £268,000 to £198,000. Tax took £1,93m (£808,000) and minorities accounted for £508,000 (£207,000).

comment

Stated earnings per 30p share climbed from 18.8p to 44.5p.

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The Expanded Metal Company P.L.C.

Table with columns: 1981, 1980, and 1979. Rows include Turnover, Group profit before tax and extraordinary item, Tax charge (1980 credit), Extraordinary item, Dividend per share, and Net assets per share.

1981 Results and Dividends The Group profit before taxation of £1,158,000 represents an inadequate return on capital employed but it reflects a larger measure of recovery than is indicated by a straight comparison with the equivalent figure of £1,067,000 for 1980.

First National Securities (Holdings) p.l.c.

(Incorporated in England, Registered No. 1582384) ISSUE OF £4,486,000 12 1/2 PER CENT CONVERTIBLE UNSECURED LOAN STOCK 1987 ("the Stock")

First National Securities (Holdings) p.l.c. ("FNS(H)") is a wholly-owned subsidiary of First National Finance Corporation p.l.c. ("FNSFC")

Managed Pension Funds

In 1981 funds under management have grown from £51.1m to £90.5m. The fund managers in the eight years of the company's existence have consistently achieved above average results.

Table with columns: 1981, 1980, and 1979. Rows include New annual premiums, New single premiums, and Funds at year end.

Provident Mutual Life Assurance Association, 25-31 Moorgate, London EC2R 6BA. Telephone 01-628 3232

INTERNATIONAL COMPANIES and FINANCE

Getty Oil launches Eurodollar bond

By ALAN FRIEDMAN

GETTY OIL is the latest U.S. corporate borrower to come to the Eurodollar market with an aggressively priced 14 per cent coupon in the dollar sector. The company is offering a \$100m seven-year issue through CSFB.

kind of name our people go for." American Express is in the Eurodollar market as well, with a \$75m seven-year bond carrying a 14 1/2 per cent coupon.

Poor's, was quoted last night at a discount of 1 1/2 to 1 3/4 per cent in pre-market trading. In the secondary market Eurodollar bond prices closed marginally higher after a day of quiet trading.

Aucalsa bonds, at a coupon of 7 1/2 per cent are not going as well as could be hoped, most other bonds are in good shape. Australia's recent SwFr 100m issue traded at 105 1/2.

General Electric shows first quarter gain

By Paul Betts in New York

GENERAL ELECTRIC, the leading U.S. manufacturer of electrical goods, reported yesterday a 5 per cent increase in first quarter earnings to \$377m or \$1.66 a share from \$359m or \$1.57 a share in the same period last year.

Volkswagen again forced to cut annual payout

By JONATHAN CARR IN BONN

VOLKSWAGEN, Germany's biggest car manufacturer, has been forced to cut its dividend for the second time running to DM 5 from DM 8 per share for 1981.

sum paid out will amount to DM 120m (\$50m). VW gave only a bald announcement yesterday that the supervisory board had approved the new dividend proposal. It did not release an exact 1981 profits figure for final leases figures.

about 4 per cent to 2.03m units. There had been a severe setback, however, in the operations of the Brazilian subsidiary, VW do Brasil, whose sales were down by about 40 per cent or by some 200,000 vehicles. It was therefore likely that VW group as a whole would see world sales down by about 5 per cent below the 1980 figure of 2.4m.

First-quarter gain at Harris Bankcorp

By Our Financial Staff

A GAIN in net interest income resulting from a higher level of earnings assets has enabled Harris Bankcorp to boost first-quarter operating profits by 20 per cent to \$10m or \$1.52 a share from \$8.27 or \$1.21 a share in the corresponding 1981 period.

Italtel and GTE technology pact

By JAMES BUXTON IN ROME

ITALTEL, the Italian state telecommunications manufacturer, yesterday signed a co-operation agreement with General Telephone and Electronics (GTE) of the U.S. for the design, production, and export of second-generation electronic telephone exchanges.

telecommunications concern. Italtel, which is part of the IRI state holding company, chose GTE over L. M. Ericsson because it considered that its technical ideas were more compatible with those of GTE. It also believed it would obtain a greater share of foreign markets in association with GTE.

and medium-sized exchange pioneered by Italtel. Some prototypes of the exchange are now functioning, and the main objective will be to create a national electronic switching system. The two companies will also set up a joint venture, with majority participation by Italtel, to sell the exchanges on the world market, excluding North America and other states where the American standard is used.

Weeks to boost oil exploration

By Our Financial Staff

EXPLORATION ACTIVITY will be at record levels this year at Weeks Petroleum, the international oil and gas exploration and production company.

Weeks to boost oil exploration

By Our Financial Staff

Weeks chief assets are its royalty interest in Australia's Bass Straits oil and gas producing area. But the group's U.S. interests, which have been assessed at \$56.9m, will involve 14 major drillings, equal to the number proposed outside the U.S. Last year, only one well was drilled in the U.S.

to \$12.3m or 23 cents a share before a special credit of \$18.4m. Oil and gas revenues edged forward from \$21.6m to \$23.6m.

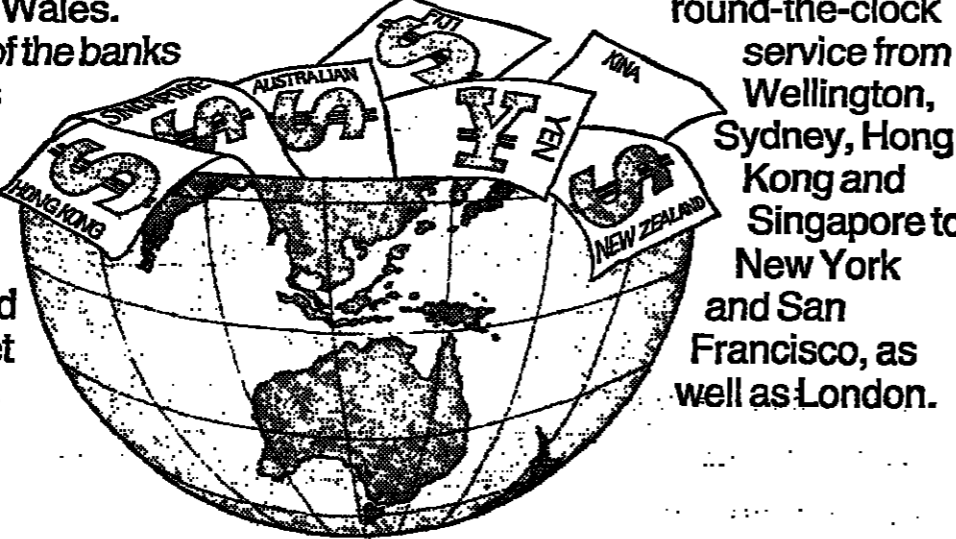
tion licences or concessions in 10 countries including Colombia, Turkey, the Netherlands, Antilles and the Republic of Korea/Japan. Weeks share price on the London stock markets has been depressed by the general shake-out in energy issues as world oil prices have weakened.

X-MONEY MARKETS FOREX-MONEY MARKETS FOREX-MONEY

No-one knows more about Pacific Basin currency dealing than we do.

Bank of New South Wales - Australia's largest banking group - has integrated the London business of The Commercial Bank of Australia Limited, which now forms part of the group, with its own London operations. From 1st April 1982, all our business transactions in London will continue under the name of Bank of New South Wales.

resulting in a special combination of experience, expertise and resources. Bank of New South Wales, London, is now dealing on a bigger scale and is able to handle even more deals than before. Active in all currencies, we are the major dealers in Pacific Basin currencies and provide a round-the-clock service from Wellington, Sydney, Hong Kong and Singapore to New York and San Francisco, as well as London.



Telephone our London Dealing Room (01) 283 5321 Telex: 8956425 Reuter Monitor page code: WSXD Reuters direct dealing code: NSWL

Bank of New South Wales (Incorporated in Australia with limited liability) First Bank in Australia Walbrook House 23 Walbrook London EC4N 8LD

Sydney Tel: 2314404 Telex: 68001 Wellington Tel: 224035 Telex: 30038 Hong Kong Tel: 213236 Telex: 74935 Singapore Tel: 2232147 Telex: 25722 New York Tel: 9499838 Telex: 425679 San Francisco Tel: 9864238 Telex: 470609

Norcen stalled in bid for Hanna

By RICHARD LAMBERT IN NEW YORK

NORCEN Energy Resources appears to have been stalled in its \$171m bid to acquire control of Hanna Mining of Cleveland worth \$45 cents a share.

MGM Film falls behind at halfway

By Our New York Staff

AFTER a strong first quarter, Metro-Goldwyn-Mayer Film Company made a loss of \$5m in its second period because attendance at its films during the Christmas season did not live up to expectations. The loss compared with a profit of \$3.6m or 11 cents a share in the same period last year.

FT INTERNATIONAL BOND SERVICE

Table listing international bond issues with columns for U.S. Dollar, Issued, Bid, Offer, Day, Week, Yield, and other details.

Dillingham in Australian building deal

By Our Financial Staff

DILLINGHAM, the Honolulu-based construction and energy group, is to purchase via its Dillingham Overseas subsidiary 10 per cent of Jennings Industries. Jennings is seeking an option to acquire Dillingham's Australian construction business.

Phibro reveals Salomon profit

By Our New York Staff

A CHINK of light was shed yesterday on one of Wall Street's closely guarded secrets: the earnings of Salomon Brothers, the large investment firm.

Phibro reveals Salomon profit

In the final quarter of last year, the firm made \$56m on total revenues of \$546m. The information was contained in the annual report of Phibro, the large commodities trading firm which bought Salomon last year. As a private firm, Salomon was not required to publish its profits. But now that it is part of a publicly quoted company, details of its finances have to be reported to the shareholders and New York's Securities and Exchange Commission.

This announcement appears as a matter of record only.

U.S. \$100,000,000
African Development Bank
 Certificate of Deposit Facility 1982-1989



Arranged by
Merrill Lynch International Bank Limited
The Sumitomo Trust and Banking Co., Limited

Managing Underwriters

Merrill Lynch International Bank Limited	The Sumitomo Trust and Finance (H.K.) Limited
Algemene Bank Nederland N.V.	LTCB International Limited
Nippon Credit International (HK) Limited	Standard Chartered Merchant Bank Limited
London & Continental Bankers Limited	Bank of China

Placing Agent
Merrill Lynch International Bank Limited

Agent Bank
The Sumitomo Trust and Banking Co., Limited

February 1982

This announcement appears as a matter of record only.



Kansas City Power & Light Company
 U.S. \$100,000,000
 Revolving Loan Facility

Managed by
Merrill Lynch International Bank Limited

Provided by
 Banque de Paris et des Pays-Bas
 Crédit Lyonnais Chicago Branch
 Lloyds Bank International Limited
 Merrill Lynch International Bank Limited
 The Bank of New York
 The Bank of Nova Scotia International (Curacao) N.V.
 The Bank of Tokyo Trust Company
 Dai-ichi Kangyo Bank Nederland N.V.
 Bank of British Columbia San Francisco Agency
 Bank of Ireland Cayman Island Branch
 County Bank Limited
 Svenska Handelsbanken S.A.
 The Fuji Bank and Trust Company
 Genossenschaftliche Zentralbank AG, Vienna
 International Energy Bank Limited
 The Riggs National Bank of Washington, DC

March 1982

NEW ISSUE *These bonds having been sold, this announcement appears as a matter of record only.*

TransAlta Utilities Corporation
 (formerly Calgary Power Ltd.)

Can. \$50,000,000

First Mortgage Bonds, 17% Series due 1989

Merrill Lynch International & Co.

Algemene Bank Nederland N.V.	Amro International Limited
Bank Brussel Lambert N.V.	Banque Internationale à Luxembourg S.A.
Banque de Paris et des Pays-Bas	Continental Illinois Limited
Crédit Commercial de France	Dominion Securities Ames Limited
Kredietbank International Group	Nomura International Limited
Orion Royal Bank Limited	Société Générale de Banque S.A.
Swiss Bank Corporation International Limited	

TransAlta Utilities Corporation (formerly Calgary Power Ltd.) operates the largest investor-owned electric utility in Canada. It has served the Province of Alberta since 1911 and provides about 70% of its electric energy requirements. Electric energy requirements in Alberta have doubled in the past eight years reflecting the continuing strong economic growth and demand for the Province's natural resources.

February 1982

NEW ISSUE *These debentures having been sold, this announcement appears as a matter of record only.*

Can. \$50,000,000

HYDRO-QUÉBEC

(An agent of the Crown in right of the Province of Québec)

16½% Debentures, Series ET, Due March 15, 1989

Unconditionally guaranteed by

PROVINCE DE QUÉBEC

Merrill Lynch International & Co.
 Algemene Bank Nederland N.V. Amro International Limited
 Bank Brussel Lambert N.V. Banque Générale du Luxembourg S.A.
 Banque Internationale à Luxembourg S.A. Continental Illinois Limited
 Crédit Lyonnais Credit Suisse First Boston Limited
 Kredietbank International Group Lévesque, Beaubien Inc.
 Société Générale Société Générale de Banque S.A.
 Swiss Bank Corporation International Limited S. G. Warburg & Co. Ltd.
 Wood Gundy Limited

March 1982

NEW ISSUE *These debentures having been sold, this announcement appears as a matter of record only.*

U.S. \$75,000,000

Pennzoil Overseas Finance N.V.

(Incorporated with limited liability in the Netherlands Antilles)

15½% Guaranteed Debentures due April 1, 1990

Unconditionally Guaranteed by



Merrill Lynch International & Co.

Amro International Limited	Bank Brussel Lambert N.V.
Banque Nationale de Paris	County Bank Limited
Kleinwort, Benson Limited	Lazard Frères & Co.
Morgan Guaranty Ltd	Union Bank of Switzerland (Securities) Limited
Westdeutsche Landesbank Girozentrale	Yamaichi International (Europe) Limited

Algemene Bank Nederland N.V.	Banco del Comercio	Julius Baer International Limited	Bank für Gemeinwirtschaft Aktiengesellschaft
Bank Gutzwiller, Kurr, Bueglinger (Switzerland)	Bank Len International Ltd.	Bank Leumi le-Israel Group	Banque Générale de Luxembourg S.A.
Banque Internationale à Luxembourg S.A.	Banque de Neufahrn, Schilling, Malle	Banque de Paris et des Pays-Bas (Suisse) S.A.	
Banque de Participations et de Placements S.A.	Banque Privée de Gestion Financière	Banque Privée, S.A.	Banque de Rhône et de la Tamise SA
Banque Worms Bayerische Hypotheken- und Wechsel-Bank Aktiengesellschaft	Bank, Siskins & Co.	Rydy Ernstman Fine Webster International Limited	Cazenoave & Co.
Chemical Bank International Group	CIBC Limited	Creditanstalt-Bankverein	Crédit Lyonnais
Crédit du Nord			
DG BANK Deutsche Genossenschaftsbank Girozentrale und Bank der Genossenschaftlichen Sparkassen Aktiengesellschaft	Dresdner Bank Aktiengesellschaft	Effektbank-Warburg Aktiengesellschaft	Gefina International Ltd (Geman) Group
Genossenschaftliche Zentralbank AG			
Handelsbank N.V. (Overseas)	Hombach Landesbank Aktiengesellschaft	Kidder, Peabody International Limited	Lazard Frères & Co., Limited
Lehman Brothers Kuhn Loeb International Inc.	LTCB International Limited	Manufacturers Hanover Limited	Merck, Finck & Co.
Mitsubishi Bank (Europe) S.A.	Santander Mesquita & Co. Limited	Morgan Grenfell & Co. Limited	Nederlandsche Credietbank NV
Norddeutsche Landesbank Girozentrale	Nordic Bank PLC	Sal. Oppenheim jr. & Co.	Fierova, Felding & Plassen N.V.
Swedish Bank, Harris Upham & Co. International	Société Générale	Société Séguinot de Banque	Sparkassenbank
Svenska Handelsbanken	The Teiyu Kobe Bank (Luxembourg) S.A.	Verband Schweizerischer Kantonalbanken	
Verbindungs-Bank Aktiengesellschaft	M. M. Warburg-Reichmann, Wirtz & Co.	S. G. Warburg & Co. Ltd.	Wood Gundy Limited

April 1982

This announcement appears as a matter of record only.



Northern Indiana Public Service Company

U.S. \$150,000,000

Revolving Credit Facility

Arranged by

Merrill Lynch International Bank Limited

Funds provided by

Algemene Bank Nederland N.V.	Allied Irish Banks Limited	Banco Central S.A.
Bank Brussels Lambert (U.K.) Limited	Bank of Canton of California	Bank of Ireland
Bank of Montreal Group	The Bank of Nova Scotia International (Curacao) N.V.	
The Bank of Tokyo Trust Company	Banque de Paris et des Pays-Bas	
Commerzbank AG	Crédit Lyonnais	The Fuji Bank and Trust Company
The Industrial Bank of Japan Trust Company	International Westminster Bank PLC	
Merrill Lynch International Bank Limited	Privatbanken A/S, Grand Cayman Branch	
The Royal Bank of Scotland plc	Société Générale, U.S.A.	
Svenska Handelsbanken S.A.	Swiss Bank Corporation	Chicago Branch

Agent Bank

Merrill Lynch International Bank Limited

April 1982

INTERNATIONAL COMPANIES and FINANCE

Bayer profits depressed by tougher competition

By Jonathan Carr in Bonn

BAYER, one of West Germany's big three chemicals concerns, saw group pre-tax profits drop by 10.9 per cent to DM 1.4bn in 1981 (\$581m) despite a rise in turnover.

World sales last year were worth DM 33.7bn, a rise of 17.1 per cent after an increase of 10.9 per cent in 1980.

However, Bayer stressed that tougher competition in key markets has meant the group could not wholly pass on increased raw materials, energy and personnel costs in higher prices.

Rival concern, Hoechst, made

a similar point last month when it announced a 20.7 per cent drop in pre-tax profits to DM 718m.

At first sight the Bayer parent company, Bayer AG, has produced a markedly better balanced performance than the group as a whole, increasing its pre-tax profit by 4.1 per cent to DM 857m on sales up by 11.9 per cent to DM 13.2bn.

However, part of this profits increase is due to a premature release—for tax reasons—of DM 78.5m which had previously been set aside in special reserves.

The parent company figures show that the main boost to sales came from foreign demand. While domestic turnover rose by 6.3 per cent to DM 4.8bn, exports were up by 15.3 per cent to DM 8.5bn. The export share of parent company sales thus rose to 64.1 per cent from 62.2 per cent in 1980.

Bayer notes that group fixed asset investment last year totalled DM 2.5bn and that a further DM 2.1bn is earmarked for 1982. Parent company investment totalled DM 904m, and will be about DM 800m this year.

Statsforetag hit by currency losses

By William Dullforce in Stockholm

STATSFÖRETAG, the Swedish state holding group, has reported a pre-tax loss of SKr 578m (\$98m), for 1981, compared with profits of SKr 261m in 1980. The net loss was SKr 851m against profits of SKr 124m. Group sales climbed by 10 per cent to SKr 15.4bn. Of the loss, SKr 578m after financial charges SKr 513m is attributed to currency exchange losses.

Special state finance of SKr 3.2bn for loss-making companies was offset by SKr 4.2bn in extraordinary charges.

The group, which operates some 30 mainly industrial concerns, has just acquired a new managing director, Mr Karl Aman, and a new chairman after a clash between the board and Industry Minister, Mr Nils Aasling. The board refused to carry out Mr Aasling's plan to break up the group and deprive it of the money-making companies.

Statsforetag's operations and finances are being studied by a committee appointed by the Minister and headed by his under-secretary, Mr Robert Nilsson, who is also the new chairman.

Group companies run on a normal commercial basis saw a 1980 pre-tax profit of SKr 447m turn into a loss of SKr 130m on turnover of SKr 12.1bn.

Companies operated under special arrangements with the Government showed a pre-tax loss of SKr 252m.

Deutsche Bank outstrips its rivals

By Stewart Fleming in Frankfurt

DEUTSCHE BANK, West Germany's largest commercial bank, has underlined its leadership of the German banking industry and reinforced the foundations for future expansion with a surge in profits for 1981 unmatched by any of its domestic rivals.

The bank, which increased consolidated assets last year by 10 per cent to DM 196bn (\$81.3bn), has made light work of what many bankers judge to have been, until October, the most difficult banking year in post-war German history, pushing up after tax income of the German parent bank by 19 per cent to DM 242m.

The earnings figure, however, is only a part of the story. Before striking income for the parent bank the company has increased published reserves against possible loan losses by DM 573m to DM 815m.

The figures contrast sharply with those of its biggest rivals. Dresdner Bank last week announced a 16 per cent fall in net profits. For the second consecutive year it announced a cut in dividend. Commerzbank, also

for the second consecutive year, did not pay a dividend for 1981 and the parent bank was again unable to report a profit.

All three big banks have been improving the profitability of

been much less burdened by interest rate and funding misjudgements of the past and has thus been able to make fuller use of the opportunities presented by falling interest rates

in the domestic economy where German banks are seeing a record surge in bankruptcies make increased reserves urgently necessary.

Deutsche Bank says the 5.4 per cent increase in its parent company lending volume last year was the lowest in over a decade. Of the increase in its interest earnings of one-fifth, around two-thirds came from wider interest margins. Deutsche Bank in particular, with a big volume of relatively low interest savings accounts, has been able to take maximum advantage of a period of record high lending rates.

Commission earnings were 11 per cent higher at DM 986m. Helped by a only modest increase in costs, operating earnings, including dealing profits, rose by 31.3 per cent, compared with 24.6 per cent in 1980, a slightly faster rise than in the parent company.

A DM 542m increase in provisions and an 11 per cent rise in the tax charge has resulted in a 10 per cent decline in net income to DM 412m.

and its own position as market leader.

Commenting on the heavy published provisions it is putting aside against potential loan losses, Deutsche Bank says that both increased international country lending risks as well as the cyclical and structural diffi-

GERMAN BANKS IN 1981

Bank	Group assets DM bn	Parent's net income DM m	Change %	Dividend DM	Previous dividend
Deutsche	196.4	242.4	+19.0	10	10
Dresdner*	170.0	139.0	-16.0	4	6
Commerzbank	101.2	nil	-	nil	nil
Bayerische Vereinsbank	98.3	101.9	+10	9	9
Bayerische Hypo	89.2	81.8	-27	0.5	7

* Business volume.

falling interest rates in the past six months. Interest margins have been widening and bond trading profits replacing the write downs on fixed interest securities which hit 1980 earnings.

Deutsche Bank, however, has

UBS reduces shareholding in Kaufhof

By Our Zurich Correspondent

UNION BANK of Switzerland has reduced to 24 per cent its shareholding in Kaufhof, the German retail concern based in Cologne. The Zurich bank has sold a 2.3 per cent share packet it acquired last May.

This brings the UBS stake back to the original shareholding bought from Dresdner Bank earlier last year. A further 24 per cent was then sold by Dresdner Bank to Metro International, a Swiss holding company based in Zug in which UBS itself has a 10 per cent stake.

The Swiss bank now no longer holds the controlling minority of over 25 per cent.

Asuag increases turnover but plans more job cuts

By John Wicks in Zurich

ALLGEMEINE Schweizerische Uhrenindustrie (Asuag), Switzerland's leading watchmaker, is to cut 1,300 jobs this year in addition to the 360 already announced. Last year Asuag cut its Swiss labour force by 788, or about 6 per cent.

Consolidated turnover rose by 6.1 per cent last year to SwFr 1.41bn (\$721m), it said in a letter to shareholders. However, group sales suffered a setback in the second half because of a substantial drop in the watch components field. The full year increase was due almost entirely to a 17.8 per

cent rise to SwFr 653.4m in the sale of finished watches. Turnover of the watch components subsidiary Ebauches dropped by 1.4 per cent to SwFr 559.5m and that of Fabriques—D'Assortiments Reunies and Nivrox (both regulating parts) and Pierres Holding (jewels) fell by a total of 6.7 per cent to SwFr 139.9m.

The group's financial situation has been "very negatively influenced" by the sharp decline in the business of Ebauches, Fabriques D'Assortiments Reunies and Pierres Holding, the board said.

Bankunion rescue plan approved

By Robert Graham in Madrid

THE SPANISH banking authorities have approved the purchase by Banco Hispano Americano of 48 per cent of Bankunion, a move which resolves one of the more delicate situations arising out of Spain's four-year-old banking crisis.

With deposits of Pta 133bn (\$1.3bn), Bankunion is Spain's thirteenth largest bank and the second biggest industrial bank. Its collapse would have had repercussions well beyond the banking sector. The reorganising operation is costing over \$400m.

The banking authorities are confident, however, that net losses to the banking system resulting from the rescue operation will be much less than those thrown up by last year's failure of Banco Occidental, which were estimated at about \$120 to \$150m.

Hispano will acquire the Bankunion shares for Pta 1.5bn which will give effective control to Hispano, which is being led by a new management team. Hispano will assume the bulk of Bank-

union's 120 industrial holdings, including a 40 per cent stake in a company building the \$440m Buenos Aires-La Plata motorway.

Bankunion's last published balance sheet (for 1980), valued its portfolio at Pta 23bn. By far the largest investment was in Accesa, the Catalan toll motorway linking Barcelona with the French border. This represented almost 50 per cent of all Bankunion's investments.

The Accesa stake has now been valued at Pta 14bn and an indirect shareholding at a further Pta 9bn. These will pass to the deposit guarantee fund.

Some Pta 5bn-worth of Bankunion real estate will also pass to the fund plus some Pta 10bn of credits. In return, the fund is providing liquidity worth Pta 38bn to Hispano to refloat Bankunion.

Bankunion's problems have been similar to the other industrial banks in Spain, which have found themselves with major investments in troubled

industries. In Bankunion's case, this was compounded by a portfolio too heavily involved in one investment (motorways) and losses run-up by a commercial subsidiary, Ahorrobanc.

Over the past three years Bankunion attempted to head off these problems by diversifying into traditional commercial banking. In the past two years it has opened 44 new branches, a move that has proved costly.

The bank has been known to be in difficulties for well over a year, and for almost six months now the Deposit Guarantee Fund has been in close contact with the bank.

Four of the big seven banks—Bilbao, Centra, Hispano, and Vizcaya—were invited to tender for shares in Bankunion. The attraction in all instances was Bankunion's branch network, especially strong in Catalonia. This is the first major takeover by Hispano since 1977 when it acquired Merxantil de Taragona. The Hispano group has deposits of over Pta 1,000bn.

Kvaerner pays more

By Fay Gjester in Oslo

THE NORWEGIAN Kvaerner group, whose activities span heavy engineering, engineering consultancy, ship and platform building, made a pre-tax profit of Nkr 178.8m (\$25.5m) in 1981, compared with Nkr 154.6m previously, and an increased dividend of 14 per cent, compared with 12 per cent (the maximum permitted in 1980), is proposed.

The group says 1981 was a "satisfactory" year, with improved results in every sector of the group's activities. Turnover reached Nkr 3,730m, up 22 per cent.

Østorsk Elektrisk og Brown Boveri, the Norwegian subsidiary of the Swiss Brown Boveri, engineering company, increased group turnover to Nkr 1.5bn in 1981, from Nkr 1,270m in 1980. Pre-tax profits rose to Nkr 51.9m, before extraordinary items, from Nkr 45.6m in 1980.

An unchanged dividend of 12 per cent is recommended.

WERELDHAVE
N.V. Beleggingsmaatschappij Wereldhave

Shareholders Meeting
NOTICE IS GIVEN that the Annual General Meeting of Shareholders of the Company will be held at the Bel Air Hotel, 30 Johan de Wittlaan, The Hague, The Netherlands at 11.00 a.m. on Wednesday, April 28, 1982.

AGENDA

1. Report of the Board of Management.
2. Annual Accounts for 1981.
3. Approval of the proposed dividend per share of Dfl. 200 in cash together with 20% as tax-free bonus issue to be charged to the share premium reserve.
4. Appointment of Members of the Supervisory Board. In accordance with article VI, section 2 of the articles of association the following directors are to retire by rotation:
P. A. Blasse
Th. C. M. A. Elsenburg
E. J. Vinken
Mr. Blasse is not eligible for re-election due to his having reached the statutory fixed age limit.
Messrs. Elsenburg and Vinken are eligible for re-election. The meeting of priority shareholders proposes the appointment of Th. C. M. A. Elsenburg or, if he is not elected, J. A. E. Konig, a member of the Supervisory Board, to fill the vacancy arising on the retirement of P. A. Blasse.
The Supervisory Board intends to elect J. H. Christiaanse as its Chairman. The relevant personalia as understood under article 142, section 3 of Book II of the Dutch Civil Code are available for inspection at the company's office.
5. Questions before closure of the meeting.

Shareholders' Rights
Shareholders who wish to attend the meeting have to deposit their shares or deposit receipts from a member of the Vereniging voor de Effectenhandel (Association of Members of the Amsterdam Stock Exchange) on or before April 23, 1982 at the office of the company, 23 Nassaulaan, The Hague or at the office of Pierson, Heldring & Pierson N.V., Algemene Bank Nederland N.V., Amsterdam-Rotterdam Bank N.V., N.V. Slavenburg Bank, Nederlandse Bankenbank N.V. or Bank Meeus & Hope N.V. in Amsterdam, Rotterdam or The Hague or at the offices of Morgan Grenfell & Co. Limited, New Issue Department, 31 Austin Friars, London EC2N 1HS, where arrangements may also be made for voting by proxy.

Annual Report 1981
Copies of the Annual Report (in English) may be obtained in the United Kingdom from Morgan Grenfell & Co. Ltd., New Issue Department, 31 Austin Friars, London EC2N 1HS or from Heaton Cowett Limited, Heron House, 319, 325 High Holborn, London WC1 7PB, on or after April 8, The Hague, April 8, 1982.

INDOSUEZ

The Board of Directors of BANQUE DE L'INDOCHINE ET DE SUEZ — INDOSUEZ — at its March 25th 1982 meeting, closed the books for 1981 which showed net profits of FRF 157,228,981.42 against FRF 122,667,560.09 for the previous year, an increase of 28 %.

The Board of Directors will propose to the General Meeting of the Shareholders, summoned for May 27th 1982, to distribute a dividend of FRF 114,888,903.20 which represents an increase of 25 % in comparison with last year's dividend and to allocate FRF 40 million to general reserves.

As at December 31st 1981, the main financial figures for the Bank are the following:

- total shareholder's equity 1.5 billion
- total invested capital 3.5 billion
- total assets 113 billion
- total assets and contingent liabilities 150 billion

Moreover, the Board of Directors has approved the new organization of the departments of the Bank.

Now, eight departments are responsible for the activities of BANQUE INDOSUEZ:

- 1) The following three departments are responsible for the Bank's customers:
 - the International Department, managed by Mr. Alain Félix, Executive Vice President
 - the Domestic Corporate Banking Department, managed by Mr. Yves TUAL, Executive Vice President
 - the Investors Department, managed by Mr. Bruno GEORGES-PIGOT, Senior Vice President
- 2) The following three departments are responsible for creating, managing and developing customer products:
 - the Leasing and Real Estate Department, managed by Mr. Gérard BILLAUD, Executive Vice President
 - the Foreign Exchange and Money Market Department, managed by Mr. Jean-François LEPETIT, Senior Vice President
 - the Corporate Finance Department, managed by Mr. François ROBERT-GORSSE, Executive Vice President
- 3) Two Service Departments are responsible for the day-to-day running of the Bank:
 - the Bank Investment Portfolio Department, managed by Mr. Jacques THIELLAND, Senior Vice President
 - the Administration Department managed by Mr. Georges MAZAUD, Executive Vice President, who is in charge of Human Relations

VONTOBEL EUROBOND INDICES
145.76 = 100%

PRICE INDEX	6.42	30.32	AVERAGE YIELD	6.42	30.32
DM Bonds & Notes	94.66	94.06	DM Bonds	9.319	9.424
Hf. Bonds & Notes	28.51	28.27	Hf. Bonds & Notes	14.6	10.220
U.S. \$ Str. Bonds	87.77	88.05	U.S. \$ Str. Bonds	14.236	14.198
Can. Dollar Bonds	89.75	89.90	Can. Dollar Bonds	15.278	15.233

All these Bonds having been sold, this announcement appears as a matter of record only.

NEW ISSUE March 1982

ÖSTERREICHISCHE POSTSPARKASSE
Vienna

Swiss Francs 100,000,000

7½% Swiss Franc Bearer Bonds 1982-88-92
with the legal guarantee of the Republic of Austria

Kredietbank (Suisse) S.A. Nordfinanz-Bank Zürich
Clariden Bank Lloyds Bank International Ltd.

Armand von Ernst & Cie AG
Banco di Roma per la Svizzera
Bank und Finanz-Institut AG
Banque de l'Indochine et de Suez, Succursales de Suisse
Banque Morgan Grenfell en Suisse S.A.
Caisse d'Épargne du Valais

CIAL, Crédit Industriel d'Alsace et de Lorraine
Fuji Bank (Schweiz) AG
Gewerbekbank Baden
Hypotheek- und Handelsbank Winterthur
Maerki, Baumann & Co. AG
Sparkasse Schwyz

Wienerwald in deal with LTU on travel offshoot

By Our Zurich Correspondent

WIENERWALD, the troubled Swiss-owned catering group, has entered into a co-operation agreement with the Düsseldorf-based company Lufttransport-Unternehmen (LTU) which may lead to the sale this summer of Wienerwald's travel-agency subsidiary, Jahn-Reisen.

This move follows the sale of Wienerwald's subsidiary Wiwa-Geraetebau to the Riedinger Jersey group of Munich. Wiwa manufactures commercial kitchen equipment, including grills Jahn-Reisen, named after Wienerwald's proprietor, Herr Friedrich Jahn, was set up in

1979 as a German tour operator. The new company called for capital spending of some DM 45m, but showed initially disappointing results. Its financial commitment to the travel agency has been a major factor in the current difficulties of Wienerwald which has total banks debts of DM 260m (\$108m).

Last month, Mr Jahn said that Jahn-Reisen was now running at roughly breakeven. By the end of 1982, it would be showing positive results, he added, after increasing annual turnover to about DM 170m.

Swiss retailer lifts earnings by one-fifth

By Our Zurich Correspondent

EARNINGS of the Swiss retail group, Globus, rose by some 20 per cent in the year ended February 1982 to reach SwFr 13.9m (\$7.1m). Turnover improved from SwFr 937.2m to SwFr 980.2m.

The board recommends unchanged dividends of SwFr 70 per share and SwFr 14 per participation certificate, together with 75-year jubilee bonuses of SwFr 10 and SwFr 2 respectively.

© Sales of the Swiss-owned engineering group, Sulzer Brothers, rose by 5.7 per cent to a record SwFr 4,048m (\$2,070m) in 1981. The value of new orders, however, slipped by 4 per cent to SwFr 4,380m.

Net profits of the parent company improved from SwFr 25.6m to SwFr 27.2m. The board had forecast a slight increase in both parent company and group earnings. Dividend is being held at 10 per cent for 1979 shareholders received 14 per cent.

Same again at Schindler

By Our Zurich Correspondent

SCHINDLER HOLDING, of Herzliya, parent company of the Schindler lift manufacturing concern, is holding its dividends of SwFr 12 per registered share and SwFr 60 per bearer share for 1981. Net profits of the holding company were virtually unchanged at SwFr 12.9m (\$6.7m).

In a letter to shareholders, the board reports a 5.3 per cent rise in billings last year to some SwFr 1,481m (\$789m). Sales of lifts and escalators increased by only 3.8 per cent to SwFr 1,231m, but those of mechanical-handling systems, rolling stock and other products improved by 13.2 per cent to SwFr 258m.

Despite general stagnation in the international lift market last year, new orders went up 10.3 per cent to SwFr 1,741m.

U.S. \$20,000,000

SUNDSVALLS BANKEN
FLOATING RATE CAPITAL NOTES
DUE 1985

For the six months
8th April, 1982 to 8th October, 1982.

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest has been fixed at 15 1/4 per cent and that the interest payable on the relevant interest payment date, 8th October, 1982 against Coupon No B will be U.S. \$79.74.

Agent Bank: Morgan Guaranty Trust Company of New York, London

Fonds de Rétablissement du Conseil de l'Europe
pour les Réfugiés Nationaux et les Excédents de Population en Europe

EMPRUNT
DE 25.000.000 D'ECUS
14,25 % 1982-1990

SOCIÉTÉ GÉNÉRALE BANQUE BRUXELLES LAMBERT S.A.

KREDIETBANK INTERNATIONAL GROUP BANQUE INTERNATIONALE A LUXEMBOURG S.A.

ALGEMENE BANK NEDERLAND N.V. BANCA DEL GOTTARDO

BANQUE GÉNÉRALE DU LUXEMBOURG S.A. BANQUE NATIONALE DE PARIS

BERLINER HANDELS-UND FRANKFURTER BANK CRÉDIT COMMUNAL DE BELGIQUE S.A./GEMEENTEKREDIET VAN BELGIË N.V.

ISTITUTO BANCARIO SAN PAOLO DI TORINO SOCIÉTÉ GÉNÉRALE ALSACIENNE DE BANQUE

Alahli Bank of Kuwait K.S.C. Bank Gutzwiller, Kurz, Bungenier (overseas) Limited

Bank/Banque Ippa S.A. Banque de Paris et des Pays-Bas

Caisse d'Épargne de l'Etat Caisse des Dépôts et Consignations

Creditanstalt-Bankverein Crédit Chimique

Crédit Industriel d'Alsace et de Lorraine S.A. Crédit du Nord

Deutsche Girozentrale - Deutsche Kommunabank Crédit Lyonnais

Financiere Deweay S.A. Dominion Securities Ames Limited

Genossenschaftliche Zentralbank AG-wienna IBJ International Limited

Irish Intercontinental Bank Limited Kredietbank (Suisse) S.A.

LTCS International Limited Mitsubishi Bank (Europe) S.A.

Nordic Bank Limited Sal. Oppenheim Jr. & Cie

Privatbanken Aktieselskab Skandinaviska Enskilda Banken

F. Van Lanschot Bankiers N.V.

Nippon European Bank S.A.

Peterbroeck, Van Campenhou & Cie

Strauss Turnbull and Co.

Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

Hongkong Land on target with HK\$1.43bn profit

BY ROBERT COTTRELL IN HONG KONG

HONGKONG LAND, one of the world's largest property companies, has announced consolidated net profits for 1981 up by 134 per cent to HK\$1.43bn (U.S.\$245m) from the HK\$610m of 1980.

ford did identify was a strain on managerial resources. With 60 projects in hand and 30 under consideration, he said, the group was "very stretched" managerially.

CREDIT DRIVES UP SHARE PRICES Kuwait tries to tame new stock exchange

BY JAMES DORSEY IN KUWAIT

THE KUWAIT Government is taking steps to try to tame the frantic trading on the unofficial Gulf Stock Exchange which sprang up in the country last year.

Share prices of the 54 traded companies, almost all of them Kuwaiti owned offshore companies and some with highly insubstantial operations, are believed to have risen six fold in the past nine months.

Post-dated cheques

The cheques, post-dated by between six months and three years, are written for blocks of shares at prices substantially over current prices.

Jardine Matheson tops forecast

BY OUR HONG KONG CORRESPONDENT

JARDINE, MATHESON the Hong Kong conglomerate celebrating its 150th anniversary, has reported profits after tax and minorities of HK\$723m (U.S.\$124m) for 1981 — just ahead of the HK\$690m forecast at the interim stage.

group balance sheet was in "quite good shape," with the year end proportion of debt to shareholders' funds standing at 72 per cent.

AMERICAN TRUST PLC

Summary of the report for the year ended 31 January 1982.

- Net asset value per equity share at 84.9p (up 5.3 per cent) was the highest year-end figure in the company's history.
The directors recommend total dividends per equity share of 2.25p compared with 2.10p last year, up 7.1 per cent.

An investment trust managed by Edinburgh Fund Managers Ltd. Copies of the report and accounts may be obtained from 4 Melville Crescent, Edinburgh EH3 7JB.

PETROLEOS MEXICANOS US\$125,000,000 Floating Rate Notes 1991. For the six months from 8th April, 1982, to 8th October, 1982, the Notes will carry an interest rate of 15 1/4% per annum.

Weekly net asset value Tokyo Pacific Holdings (Seaboard) N.V. on April 5th 1982, U.S.\$57.64. Listed on the Amsterdam Stock Exchange.

SCANOIL, INC. US\$40,000,000 Petroleum production revolving credit facility. Partially guaranteed by Scandinavian Trading Company AB.

Developments for the Future. Group Profits, Dividends, Valuation of Assets, Corporate Developments. 1981 Results table showing 1981 and 1980 figures for Group profit after tax, Extraordinary profits, Total profits, Dividends, and Shareholders' Funds.

Jardines 1981 Results Operating Profit up 38%, Bonus Issue Recommended. Net Profit reached HK\$723 million, up 37.7% from previous year's figure. Earnings per share before net exchange translations and extraordinary items rose to HK\$2.13, an increase of 15.1% over 1980's figure of HK\$1.85.

Companies and Markets **INTL: COMPANIES & FINANCE**

Indian rulings attract fire from overseas pharmaceutical groups

A NUMBER of foreign drug companies operating in India are waging battle with the Government on several fronts. They are resisting orders to bring their ownership under closer Indian control, under Foreign Exchange Regulation Act (FERA), requirements. A challenge has been laid before the Delhi High Court to the Government's decision that they should use generic names for the drugs in place of brand names. A pricing formula is being sought to support the profitability of operations and they are also seeking permission to extend manufacturing activities into new areas.

The battle is tough because the issues involved concern not only the wider policy of the Government towards the entire Indian pharmaceuticals industry, but also the question for foreign companies of survival in India on acceptable terms. Most of the foreign companies think they should be allowed to retain a majority holding of their equity on the grounds that they are in an high-technology area.

FERA requirements are that all foreign companies should reduce their equity holdings in Indian offshoots to 40 per cent, unless they are manufacturing in high-technology sectors, or are export-oriented, or combine high technology with exports in a suitable mix.

The Government's latest issued orders to most of the foreign drug companies to bring their equity holdings down to 40 per cent or to reduce them from their existing levels is based on the findings of a report submitted last year by a committee on high technology pharmaceuticals that they cannot expand except in 100 per cent export sectors or in the industrially backward regions of the country.

Among the companies to be ordered to reduce its foreign ownership to 40 per cent, from 75 per cent, is the offshoot of Glaxo, of the UK, which in 1980 had sales of Rs938m (\$100m). The battle to hold on to brand names is part of a struggle to maintain profitability. The Government argues that brand names give the foreign companies an advantage over Indian concerns, some of which are in the public sector, when all are challenging the claims of many of the same commonly-used drugs.

Like Indian companies, the foreign companies are seeking a revision of the basis on which prices of drugs are fixed since they feel that the present method does not allow sufficient margins to make their high-technology operations profitable. A decision on this is pending, but the indications are that the Government will not change its policy.

The main question facing the foreign companies at present is that of dilution of their equity holdings. Recent orders affect some 20 companies, after seven had been asked earlier to bring their holdings down to 40 per cent. Of these seven, Smith, Kline and French, which is 100 per cent owned by SmithKline of the U.S., has made representations to the Government for its being allowed to retain a majority share. This is regarded as a test issue.

Of the companies to which orders have been passed, 12 have been asked to dilute their present equity holdings, seven are being allowed to continue at their present level of ownership, and one is being asked to wind up operations, and one of its overseas subsidiaries to end branch operations in India.

K. K. Sharma reports from New Delhi on the development of a battle on several fronts between foreign drug companies operating in India and the Indian authorities. India has lately decided which companies should retain their going level of foreign ownership, and which should reduce it. But that is not all

THE FERA DECISIONS

Company	Turnover 1980 Rs m	Parent or senior foreign affiliate	Country	Existing stake	
				%	%
Burroughs Wellcome (India)	80	Wellcome Foundation	UK	100	74
Ciba-Geigy of India	n.a.	Ciba-Geigy	Switzerland	68	51
Cyanamid India	97	American Cyanamid	U.S.	55	51
E. Merck (India)	139†	E. Merck	West Germany	51	40
Glaxo Laboratories	938†	Glaxo	UK	75	40
Johnson and Johnson	n.a.	Johnson and Johnson	U.S.	75	51
Parke Davis (India)	n.a.	Warner Lambert	U.S.	83	48
Pfizer (India)	429	Pfizer	U.S.	70	51
Roche Products	n.a.	Roche/Sapac	Switzerland/Canada	89	74
Uni-Sankyo	n.a.	Sankyo Co.	Japan	49	40
Warner Hindustan	n.a.	Warner Lambert	U.S.	50.3	46
May and Baker (India)	197	May and Baker	UK	60	40
Bayer India	517	Bayer	West Germany	51	51
Boots (India)	202	Boots	UK	53	53
Hoechst Pharmaceuticals	499	Hoechst	West Germany	50	50
Merck Sharp Dohme (India)	164	Merck and Co.	U.S.	60	60
Organon (India)	n.a.	Alkzo	Holland	49	49
Sandoz India	545	Sandoz	Switzerland	60	60
Wyeth Laboratories	182*	American Home Products	U.S.	74	74

* Includes branches of John Wyeth and Brother of the UK, ordered to cease trading, and of Wyeth (India), ordered to wind up, each of which companies is owned by AHP.

THIS ANNOUNCEMENT APPEARS AS A MATTER OF RECORD ONLY

A\$300,000,000
(EQUIVALENT AMOUNT)

NON-RECOURSE PROJECT FINANCING

FOR THE

OAKY CREEK COAL — JOINT VENTURE

COMPRISING

MOUNT ISA MINES LIMITED

(AUSTRALIA)

ESTEL DELFSTOFFEN BV

(THE NETHERLANDS)

NUOVA ITALSIDER S.p.A.

(ITALY)

EMPRESA NACIONAL SIDERURGICA S.A.

(SPAIN)

PROJECT MANAGER: MOUNT ISA MINES LIMITED

PROCEEDS FROM THIS FINANCING WILL BE APPLIED TOWARDS THE DEVELOPMENT AND CONSTRUCTION OF THE OAKY CREEK MINE, RELATED FACILITIES AND INFRASTRUCTURE IN QUEENSLAND, AUSTRALIA.

MANAGED BY

**CITICORP INTERNATIONAL GROUP
TORONTO DOMINION INTERNATIONAL BANK LIMITED
BANK OF NEW SOUTH WALES**

US\$230,000,000

TERM LOANS

PROVIDED BY

**CITIBANK, N.A. THE TORONTO-DOMINION (UNITED KINGDOM) LIMITED
CHEMICAL BANK MELLON BANK, N.A.
ALGEMENE BANK NEDERLAND N.V. AMSTERDAM-ROTTERDAM BANK N.V.
THE SUMITOMO BANK, LIMITED KREDITBANK N.V.**

AGENT

ASIA PACIFIC CAPITAL CORPORATION LIMITED
(A MEMBER OF CITICORP INTERNATIONAL GROUP)

A\$100,000,000

TERM FACILITIES

PROVIDED BY

**BANK OF NEW SOUTH WALES
THE NATIONAL BANK OF AUSTRALASIA LIMITED**

IN CONJUNCTION WITH LETTERS OF CREDIT FACILITIES PROVIDED BY

CHEMICAL BANK TORONTO DOMINION (SOUTH EAST ASIA) LIMITED

AGENT

BANK OF NEW SOUTH WALES

FINANCIAL ADVISOR TO THE JOINT VENTURES

THE FIRST BOSTON CORPORATION



AECI LIMITED

(Incorporated in the Republic of South Africa)

NOTICE TO PREFERENCE SHAREHOLDERS DIVIDEND NO. 88

Notice is hereby given that on 4 March 1982 the Directors of AECI Limited declared a dividend at the rate of 5.5 per cent per annum for the six months ending 15 June 1982 payable on that date to holders of preference shares registered in the books of the Company at the close of business on 30 April 1982.

The dividend is declared in United Kingdom currency and cheques in payment will be posted from the offices of the transfer secretaries in South Africa and the United Kingdom on 11 June 1982.

Dividends payable from Johannesburg will be paid in South African currency at the rate of exchange ruling on 25 May 1982.

Any change of address or dividend instruction involving a change in the office of payment, if intended to apply to this dividend, must be received on or before 30 April 1982 and members must, where necessary, have obtained the approval of the South African Exchange Control Authorities and, if applicable, the approval of any other Exchange Control Authorities having jurisdiction in respect of such changes. Changes of address or dividend instructions to apply to this dividend which do not involve a change in the office of payment must be received not later than 1 June 1982.

In terms of the Republic of South Africa Income Tax Act 1962 (as amended) dividends payable to persons not ordinarily resident nor carrying on business in the Republic or to companies not registered nor carrying on business in the Republic are subject to deduction in respect of non-resident shareholders tax at the rate of 13.7025 per cent.

With regard to cheques despatched from the United Kingdom office, United Kingdom income tax, at the basic rate less, where applicable, the appropriate double tax relief, will be deducted from the dividends paid except in cases where the holder's address and the address to which the dividend is sent are both outside the United Kingdom and in cases (if any) where the company has received from the Inspector of Foreign Dividends in Great Britain a certificate exempting the dividend from United Kingdom income tax.

The transfer books and registers of members in Johannesburg and the United Kingdom will be closed from 1 May 1982 to 14 May 1982 both days inclusive.

Carlton Centre By order of the Board
Johannesburg J. J. LOW
8 April 1982 Secretary

Transfer Secretaries:
Consolidated Share Registrars Limited
62 Marshall Street, Johannesburg and
Charter Consolidated PLC, Charter House
Park Street, Ashford, Kent, England.

Westland/Utrecht Hypotheekbank nv

Registered office in Amsterdam

Shareholders, holders of Bearer Depositary Receipts, debenture bonds, mortgage bonds and private bonds are hereby invited to attend the Annual General Meeting of Shareholders, to be held at the Amstel Hotel, Prof. Tulpplant 1, Amsterdam, The Netherlands, on Tuesday 27th April 1982 at 10.30 a.m.

Agenda

The agenda of the Ordinary Meeting of Shareholders, to be held at 10.30 a.m. on Tuesday 27th April 1982 at the Amstel Hotel, Prof. Tulpplant 1, Amsterdam, The Netherlands is as follows:

1. Opening of the meeting.
2. To approve the manner of recording the Minutes, in accordance with Article 21, paragraph 3 of the Articles of Association.
3. Discussion of correspondence received.
4. Consideration of the Annual Report of the Board of Management concerning the affairs of the Company and the management thereof in the year 1981.
5. Adoption of the Balance Sheet as at 31st December 1981 and the Profit and Loss Account for 1981, and the notes thereto, as approved by the Supervisory Board.
6. Proposal to change the loss to the reserves and to pass the dividend for 1981.
7. Filing of the vacancy arising on the Supervisory Board on 27th April 1982 following the retirement by rotation of Mr. D. Noordhoff.
8. Filing of the vacancy arising on the Supervisory Board on 27th April 1982 following the decision to increase the number of Board members. The General Meeting of Shareholders has the right to nominate candidates to fill this vacancy. Should no nominations be made, the Supervisory Board propose to fill the vacancy by appointing Mrs. E. Van der Smit of Leidschendam. The General Meeting of Shareholders has the right to object to this proposed appointment.
9. Notification of vacancies which will occur on the Supervisory Board in 1982 as a result of the retirement by rotation of Mr. J.D. Hooglandt, Dr. J. Kremers and

Mr. S. Orlandini, who are eligible for re-election. The General Meeting of Shareholders has the right to nominate candidates to fill these vacancies. Notification of the retirement of Mr. E.A. Brouwer from the Supervisory Board in 1983 as a result of his having reached the statutory retirement age. The Supervisory Board do not intend to fill the resulting vacancy.

10. Notification of the appointment of Mr. M.B. Bole to the Board of Management.

11. Any other business.

12. Closure of the meeting.

In order to attend the meeting in person, or to be represented by a proxy duly authorised in writing, or to address the meeting and exercise the right to vote, shareholders are required to give notice at least 3 days prior to the meeting of their intention to attend the meeting in person or to present the relevant instrument of proxy to the Board of Management at the head office of the Company, Sirphostraat 1, Amsterdam. Upon the production of proof of the deposit of bearer depositary receipts with a bank or stockbroker at least 3 days prior to the meeting, holders of these receipts are entitled to attend the meeting in person, or to be represented by a proxy duly authorised in writing and to address the meeting. Holders of mortgage bonds, private loans and debentures are entitled upon the production of their securities to attend and address the meeting. Documents containing information concerning the subjects to be dealt with at the meeting will be available for inspection by the above-mentioned duly authorised persons from 8th April until the closure of the meeting, at the head office and at the branch offices of the Company. Copies of these documents, which include the Annual Report, are available in the Dutch language, without charge to such persons at the Company's head-office, Sirphostraat 1, 1017 WS Amsterdam, The Netherlands. Tel. 010 31 20 283131, or at J. Henry Schroder Wagg & Co, 120 Chesapeake EC 2V 6DS London, Tel. 6894000.

Copies of the Annual Report in English are available from 20th April at the same addresses. Board of Management. Amsterdam, 8th April 1982.

This advertisement complies with the requirements of the Council of The Stock Exchange. It does not constitute an offer of, or invitation to subscribe for or purchase, any securities.

U.S. \$150,000,000

Aetna Life and Casualty International Finance N.V.

(Incorporated in the Netherlands Antilles)

GUARANTEED RETRACTABLE NOTES DUE 1987

Payment of principal and interest unconditionally guaranteed by

AETNA LIFE AND CASUALTY COMPANY

(Incorporated in Connecticut, United States of America)

The following have agreed to purchase the Notes:

MORGAN STANLEY INTERNATIONAL

ALGEMENE BANK NEDERLAND N.V.

BANQUE BRUXELLES LAMBERT S.A.

CREDIT SUISSE FIRST BOSTON Limited

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The Notes, in denominations of U.S.\$1,000 and U.S.\$10,000, with an issue price of 100 per cent., have been admitted to the Official List by the Council of The Stock Exchange, subject only to the issue of the temporary Note. Interest is payable annually in arrears on April 15, commencing on April 15, 1983. The Notes will bear an interest rate of 15 per cent. up to and including April 15, 1986; on such date and at intervals thereafter, the Issuer at its option may adjust the interest rate. At such times as the interest rate is adjustable the Notes will be redeemable or re-purchasable at 100 per cent. at the option of the holder or of the Issuer.

Particulars of the Issuer, the Guarantor and the Notes are available in the Etnel Statistical Services Limited and may be obtained during normal business hours on any weekday (Saturdays and Public Holidays excepted) up to and including April 22, 1982 from the brokers to the issue:

April 8, 1982
Cazenove & Co.,
12, Tokenhouse Yard,
London EC2R 7AN

COMPANIES AND MARKETS CURRENCIES, MONEY and GOLD

Pound recovers

Markets recovered in currency markets yesterday reflecting a slight easing in tension over the situation in the Falkland Islands. UK interest rates were generally easier as there was a growing appreciation of recent favourable economic indicators.

The dollar was slightly easier overall despite a firmer trend in Euro-dollar rates as domestic rates eased. There was little overall change within the EMS yesterday, with the D-mark remaining the strongest currency followed by the Dutch guilder.

THE POUND SPOT AND FORWARD

Table with columns: Day's spread, Close, One month, % Three p.a. months, % Six months. Rows include US, Canada, UK, Denmark, Germany, France, Italy, Norway, Sweden, Japan, Australia, NZ, Switzerland.

THE DOLLAR SPOT AND FORWARD

Table with columns: Day's spread, Close, One month, % Three p.a. months, % Six months. Rows include US, Canada, UK, Denmark, Germany, France, Italy, Norway, Sweden, Japan, Australia, NZ, Switzerland.

CURRENCY MOVEMENTS

Table with columns: April 7, Bank of England, Morgan Guaranty, Special Drawing Rights, European Unit. Rows include US dollar, Australian dollar, Canadian dollar, etc.

OTHER CURRENCIES

Table with columns: April 7, Argentina, Australia, Brazil, Canada, Hong Kong, etc.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Currency, % change, % change from previous month, % change from previous year. Rows include Belgium, France, Germany, etc.

EXCHANGE CROSS RATES

Table with columns: April 7, Pound Sterling, U.S. Dollar, Deutschmark, Japanese Yen, etc.

FT LONDON INTERBANK FIXING (11.00 a.m. April 7)

Table with columns: 3 months U.S. Dollars, 6 months U.S. Dollars. Rows include bid 15 1/8, offer 15 1/2.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Table with columns: April 7, Sterling, U.S. Dollar, Canadian Dollar, Dutch Guilder, etc.

MONEY MARKETS

London clearing bank base lending rate 13 per cent (standing March 12). Interest rates declined in the London money market yesterday as sterling showed a firmer trend and the gilt-edged market recovered its poise.

GOLD

Gold finished \$34 an ounce higher than Tuesday's close in the London auction market yesterday at \$352.75, up from \$348.75 on Monday.

LONDON MONEY RATES

Table with columns: April 7, Sterling, Interbank, Local Authority deposits, Finance Deposits, etc.

MONEY RATES

Table with columns: New York, Prime rate, Fed funds, Treasury bills, etc.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED TRUSTS

Extensive list of financial services and trusts including Abbey Unit Trst Mgrs, Alford Unit Trst Mgrs, Alton Unit Trst Mgrs, etc. Includes company names, addresses, and contact information.

Companies and Markets

WORLD STOCK MARKETS

Wall St narrowly mixed early

NEW YORK

Table of stock prices for various companies in New York, including columns for Stock, April 6, April 7, and April 8.

Table of stock prices for various companies, including columns for Stock, April 6, April 7, and April 8.

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Table of stock prices for various companies, including columns for Stock, April 6, April 7, and April 8.

SHARE PRICES were mixed at 2:30, with the Dow Jones Industrial Average up 1.6 to 2,923.76.

Canada Toronto stocks were slightly firmer at mid-session with the Composite Index up 1.6 to 2,923.76.

Tokyo Share prices closed sharply lower with a waiting sentiment dominating the market.

Australia The market posted one of its strongest rises of the year as a sharp rise in Gold prices prompted determined demand for leading Metal and Oil issues.

Hong Kong The stock market closed just above the day's lows with trading thin for much of the half-day session.

Paris Share prices were mixed in thin trading with no major new factors affecting sentiment.

Johannesburg Gold shares closed easier with the bullion price in fairly active trading, after opening slightly firmer.

Germany Share prices came off their lows following a quiet session with many investors already on the sidelines for the Easter holiday.

Indices

Table of market indices including Dow Jones, S&P 500, and other regional indices.

NEW YORK

Table of market indices for New York, including columns for Date, High, Low, and Close.

STANDARD AND POORS

Table of market indices for Standard and Poors, including columns for Date, High, Low, and Close.

NEW YORK

Table of market indices for New York, including columns for Date, High, Low, and Close.

NEW YORK

Table of market indices for New York, including columns for Date, High, Low, and Close.

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NEW YORK

Table of market indices for New York, including columns for Date, High, Low, and Close.

NOTE: Prices on this page are quoted on the individual exchanges and are based on the last trade price, not the closing price.

Companies and Markets

COMMODITIES AND AGRICULTURE

Counting cost of borrowing

Interest burden. Banks, I understand, are prepared to add the interest charges to the loan when necessary. One source of problems to a minority were the grants for farm and horticultural developments. These amounted to 33 per cent of the cost of major improvements. What some farmers forgot was that the balance, if borrowed, would carry high interest charges and some of these have proved very difficult to service. I have met several farmers who regretted taking the grants for that reason. It is caution rather than pressure that is making farmers very hard bargainers with their suppliers. Machinery, fertilisers and chemicals are only being sold with the help of a substantial trade in what are called parallel imports of all three, which is keeping prices as low as they are. Every item of expenditure is now being closely monitored and among these are the costs of capital improvements. The only area in which there is likely to be heavy borrowing would be the arable sector. Unlike dairying, for instance, where there is milk to be sold every day of the year, grain is only sold once, after harvest. Although the most profitable, it is very vulnerable both to weather and political changes. If Britain were to opt out of the CAP, grain prices, already under attack, could well diminish still further. JOHN CHERRINGTON

FARMERS' VIEWPOINT

OVER THE year to last February the farming industry debt to the banks has risen by 17 per cent to £3,788m. This has been immediately set upon as an indication of the dire straits into which farming is being driven by low prices and increasing costs. This is a substantial sum, but when set against the total value of farming assets, it is an indication of how undergrazed the industry is. Nor is it clear from the figures just how much of the increased sum is due to the need for working capital, and how much has been used for land purchase. A farmer working on a large overdrift does not have to tell the bank manager what he is using it for. In my experience these days, bank managers are only too happy to lend on security of assets of increasing value such as land and to some extent farm valuations of stock and crops. As long as he keeps increasing his production, a farmer can do what he likes. In my younger days banks were very loath to lend for land purchase. They still operated on the old fashioned rule that bank overdrafts were repayable on demand. At that time the only source of long term finance was the Agricultural Mortgage Corporation which would lend up to 60 years at a fixed rate of interest. The AMC is still operating but I can conceive of no circumstances where anyone would borrow on the long term at today's fixed interest charge. The AMC does have a variable rate which alters every three months, and is roughly in line with what banks charge, but a bank overdraft is much more flexible. In all respects British farmers are for the most part far better placed than those in Denmark and Ireland. Their farmers celebrated EEC entry at the same time as ourselves, by plunging into debt in every direction. It is estimated at least 20 per cent of all Danish farmers are insolvent and many are going bankrupt. A very large number of Irish farmers would be in the same boat without government assistance. The reason for this state of affairs was that for years the farmers of those countries had been enticed by hopes of greatly increased prices on joining the EEC. They had until then been forced to exist on what were extremely low prices. Now, safely as they thought, within the shelter of the EEC, they embarked on a spree of investment in almost everything from land to machinery, prices rocketed as did interest rates. This, of course, is tantamount to a fall in real prices. They would have to fall a good deal further in money terms to be viable at present interest rates. But in spite of this overall caution, there are some farmers — a minority — in difficulties. There have been no bankruptcies, but there have been sales of farms for lease-back and others where the owner has been advised to sell the odd cottage or field to get out of trouble. A few have sold out completely, not realising the prospect of being slaves to the

Base metals fall back again

LONDON base metal markets yesterday lost most, if not all, the gains made on Monday and Tuesday in reaction to the Falkland Islands crisis. The gold price was up, helping free market platinum and silver. But base metal markets were more influenced by the recovery in the value of sterling and the belief that military conflict may be avoided after all. Higher-grade cash copper led £12.75 to £13.75, a tonne, making it only marginally up on the week. Cash lead dropped to £13 to £13.25 a tonne. Worst hit, however, was zinc where the cash price tumbled by £20.25 to £402.5 a tonne, following the announcement of further producer price cuts. The French zinc producer, Molybdenum des Mines, said that it was cutting its European quotation from \$900 to \$850 a tonne — in line with the reductions already made by several European smelters and by EEC of Australia. Traders said the zinc price was only back above £400 when sustained buying support came from one company, associated with producer interests. The French zinc producer, Molybdenum des Mines, said that it was cutting its European quotation from \$900 to \$850 a tonne — in line with the reductions already made by several European smelters and by EEC of Australia. Traders said the zinc price was only back above £400 when sustained buying support came from one company, associated with producer interests.

U.S. may impose sugar quotas

Should the world price drop to 10 cents or 9 cents the fee would be insufficient to keep domestic prices up, and the USDA could then find itself saddled with large amounts of sugar it cannot dispose of. Last year the U.S. was the world's largest importer of sugar, buying 5.1m tonnes. Processors, expecting the legislation to pass, bought heavily before it went into effect. This year U.S. imports are expected to sink to 3.5m tonnes, according to Mr Robert Barry, USDA sugar specialist. In Brussels yesterday, EEC Commission authorised exports of 42,508 tonnes of white sugar at a maximum export rebate of 25.548 European currency units per 100 kilos. As expected the EEC continued to delay accepting offers for its new white sugar quota, covering exports from July to September, setting its export subsidy very low at 20.5 ECUs. London dealers said the export tender result was in line with market expectations and had little effect on futures prices. They calculated the white sugar restitutions equated to about \$285 per tonne job and stored European ports.

U.S. seeks May grain talks

WASHINGTON—The U.S. has proposed dates in May for regular consultations with the Soviet Union under the long-term grain agreement, but has yet to receive a response from Moscow, U.S. Agriculture Department said. Administration and private grain traders said the proposed dates are around the week of May 10. USDA officials also confirmed that Agriculture Secretary Mr John Block is among those in the Administration seeking to increase the minimum and maximum quantities under any new long-term grain supply pact with the USSR. The current pact expires at the end of September. Reuter

S. American oilseed output fall forecast

WASHINGTON—South American oilseed production this year will decline between 9 per cent and 10 per cent from last year, mainly due to a drop in Brazil's soyabean crop to 13.5m tonnes from 15m tonnes, according to the latest issue of the Cargill crop bulletin. Mr Reine van Giffen, assistant vice president for Cargill's international oilseed processing division, also estimated Argentine soyabean production at 4.01m tonnes against 3.78m tonnes last year, Argentine sunflowered production at 1.7m up from 1.5m, Argentine flaxseed production at 581,000 tonnes (585,000) and Paraguay's soyabean production at 620,000 tonnes (650,000). Cargill put South American soyabean meal stocks at 238,000 tonnes at the end of 1982 from 246,000 tonnes at the end of 1981, white soyabean oil stocks were seen reaching 238,000 tonnes against 231,000 tonnes. It estimated South American exports of soyabean meal at 7.8m tonnes in 1982, down from 8.9m in 1981, and soyabean oil exports at 900,000 tonnes, down from 1.26m tonnes. Cargill also put South American production of soyabean meal this year at 10.94m tonnes against 11.86m tonnes in 1981 and soyabean oil output at 2,50m tonnes (2.51m). Reuter

Renewed pressure on cocoa prices

COCOA VALUES on the London futures market fell to the lowest level in nine months yesterday with the May position closing \$22.50 down at \$92.6 a tonne. The price was about \$350 below the peak level reached at the end of September. In the absence of significant fundamental news dealers attributed the fall mainly to a "bearish" chart pattern. They said the fall was triggered by the rise in the value of sterling against the dollar. The market was still feeling the impact of heavy tapering against the May expired March position, they added. May cocoa fell the \$40 permissible daily limit during the morning. After the mandatory 15 minute break in trading it lost further ground, reaching \$90 a tonne at one stage. But

Alcan delays smelter expansion

SYDNEY—Alcan Australia has deferred commissioning a third potline at its Kurri Kurri aluminium smelter in New South Wales, managing director R. A. Aspinall said. The \$149m facility should have started production at the end of this year or early in 1983, increasing the smelter's rated capacity to 125,000 tonnes per annum. Mr Aspinall said the main reasons for the decision were the lack of any positive signs of an international economic recovery and rising worldwide stocks. Mr Aspinall said construction on the potline is well advanced but work will be slowed and the question of when it will be commissioned will be kept under constant review. Alcan Australia is 70 per cent owned by Alcan Aluminium Ltd. of Canada, with the remainder of the company owned by several local institutions.

BRITISH COMMODITY MARKETS

Table with multiple columns for various commodities like Lead, Zinc, Nickel, Tin, Copper, and Silver, showing prices and changes.

PRICE CHANGES

Table showing price changes for various commodities including Metals, Wheat, Barley, and Sugar.

AMERICAN MARKETS

Table showing Tuesday's closing prices for various commodities in American markets.

EUROPEAN MARKETS

Table showing prices for various commodities in European markets.

Advertisement for Gold futures market launch, mentioning the London Futures Market in Gold and the importance of the May issue of the Banker.

Advertisement for 'IN LOVING MEMORY' featuring floral tributes and a Day Centre for the elderly.

Advertisement for 'GAS OIL FUTURES' providing market analysis and contact information for a broker.

Advertisement for 'WOOL FUTURES' providing market analysis and contact information for a broker.

Advertisement for 'COFFEE' providing market analysis and contact information for a broker.

Advertisement for 'COTTON' providing market analysis and contact information for a broker.

Advertisement for 'INDICES' showing Dow Jones and Financial Times indices.

Advertisement for 'MOODY'S' and 'REUTERS' providing market data and services.

FT UNIT TRUST INFORMATION SERVICE

INSURANCE BOND

Table listing various insurance and bond products, including Crown Life, ABEY Life Assurance, and others, with their respective details and prices.

Table listing various insurance and bond products, including Crown Life, ABEY Life Assurance, and others, with their respective details and prices.

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OFFSHORE & OVERSEAS FUNDS

Table listing offshore and overseas funds, including Whinor Life Assur, Affix Investment, and others, with their respective details and prices.

NOTES

Notes section providing additional information and commentary on the fund listings.

Branches throughout the UK... AFA-MINERVA... FIRE PROTECTION AND SECURITY... Head Office: AFA-MINERVA (EM) LIMITED SECURITY HOUSE, GRENOR ROAD TWICKENHAM TW4 6AB TEL: 01-892 4422

FT SHARE INFORMATION SERVICE

FOOD, GROCERIES - Cont.

BRITISH FUNDS

Table of British Funds including 'Shorts' (Lives up to Five Years) and Five to Fifteen Years categories.

Over Fifteen Years

Table of funds categorized as Over Fifteen Years.

Undated

Table of undated funds.

Index-Linked & Variable Rate

Table of index-linked and variable rate funds.

INT. BANK AND OSEAS GOVT. STERLING ISSUES

Table of international bank and overseas government sterling issues.

CORPORATION LOANS

Table of corporation loans.

COMMONWEALTH AND AFRICAN LOANS

Table of commonwealth and African loans.

LOANS Public Board and Ind.

Table of public board and industrial loans.

LOANS - Continued

Table of loans - continued.

FOREIGN BONDS & RAILS

Table of foreign bonds and rails.

AMERICANS

Table of American stocks.

BANKS & H.P. - Cont.

Table of banks and hire purchase.

BEERS, WINES AND SPIRITS

Table of beers, wines and spirits.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of building industry, timber and roads.

CANADIANS

Table of Canadian stocks.

BANKS AND HIRE PURCHASE

Table of banks and hire purchase.

CHEMICALS, PLASTICS - Cont.

Table of chemicals and plastics - continued.

DRAPERY AND STORES

Table of drapery and stores.

ELECTRICALS

Table of electricals.

ENGINEERING - Continued

Table of engineering - continued.

FOOD, GROCERIES, ETC.

Table of food, groceries, etc.

HOTELS AND CATERERS

Table of hotels and caterers.

INDUSTRIALS (Misc.)

Table of miscellaneous industrial stocks.

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CHEMICALS, PLASTICS

Table of chemicals and plastics.

ENGINEERING MACHINE TOOLS

Table of engineering machine tools.

FOOD, GROCERIES, ETC.

Table of food, groceries, etc.

مركز التمويل

INDUSTRIALS—Continued

Table of industrial stocks including companies like British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

LEISURE—Continued

Table of leisure and entertainment stocks including British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

PROPERTY—Continued

Table of property and real estate stocks including British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

OIL AND GAS—Continued

Table of oil and gas stocks including British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

SANYO INTERNATIONAL LTD. advertisement with contact information for their London office.

MINES—Continued

Table of mining stocks including British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

SHIPPING

Table of shipping stocks including British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

SHOES AND LEATHERS

Table of shoes and leather stocks including British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

SOUTH AFRICANS

Table of South African stocks including British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

TEXTILES

Table of textile stocks including British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks including British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

PAPER, PRINTING ADVERTISING

Table of paper, printing, and advertising stocks including British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

TOBACCO

Table of tobacco stocks including British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

FINANCE, LAND, ETC.

Table of finance, land, and other stocks including British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

RUBBERS AND SISALS

Table of rubber and sisal stocks including British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

TEAS

Table of tea stocks including British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

MINES

Table of mining stocks including British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

Far West Rand

Table of Far West Rand mining stocks including British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

O.F.S.

Table of O.F.S. stocks including British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

Oil and Gas

Table of oil and gas stocks including British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

OVERSEAS TRADERS

Table of overseas trader stocks including British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

Copper

Table of copper stocks including British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

NOTES

Notes section providing financial details and company information for various stocks.

Central Rand

Table of Central Rand mining stocks including British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

Eastern Rand

Table of Eastern Rand mining stocks including British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

Regional Markets

Table of regional market stocks including British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

Options

Table of options stocks including British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

INSURANCE

Table of insurance stocks including British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

PROPERTY

Table of property stocks including British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

PROPERTY

Table of property stocks including British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

OIL AND GAS

Table of oil and gas stocks including British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks including British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and percentage change.

RECENT ISSUES

Recent issues section providing information on newly issued shares.

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PROPOSED MINISTRY FOLLOWS FRENCH MOVES ON INDUSTRIAL AND ECONOMIC STRATEGY

Labour studies Planning Department

BY JOHN LLOYD, LABOUR EDITOR

THE LABOUR PARTY is set to put a Department of Planning with wide powers at the heart of its economic programme for the next election. The proposed department would take over almost all the functions of the departments of Industry and Trade, and a substantial part of the Treasury's responsibilities...

National Economic Development Council, or through a strengthened version of the NEDC, to be called the National Planning Council. The Planning Department would consult unions and management and draw up a "development contract"...

Party on the scope of a planned ministry and that of the NEDC/National Planning Council. Some shadow ministers have particular reservations on the immense range of tasks and authority proposed for the Planning Ministry.

Howe agrees not to publish paper

BY JOHN ELLIOTT AND MAX WILKINSON

TUC and CBI leaders yesterday persuaded Sir Geoffrey Howe, the Chancellor of the Exchequer, not to publish a paper he presented to the National Economic Development Council. The paper argued against the reflationary policies advocated by union leaders.

counterblast against the idea that reflationary policies could be a solution to the problems of unemployment and low national output. It was based on running various policy options through the Treasury's economic model in line with a suggestion by the TUC at January's meeting of the council.

Delay likely on Gibraltar border talks

By Robert Graham in Madrid

AN ANNOUNCEMENT is expected today on the postponement of the reopening of the Spanish frontier with Gibraltar and the talks due to be held simultaneously on April 20 near Lisbon between the British and Spanish foreign ministers.

Rail strike cost Government extra £50m

BY MARTIN DICKSON AND JOHN ELLIOTT

THE TRAIN drivers' strike earlier this year cost the Government £50m in additional loans and grants to the National Coal Board and the Central Electricity Generating Board. This does not include a £40m increase in British Rail's external financing limit which has been allowed for the 1981-82 financial year by the Treasury, but which is being clawed back this financial year.

Ministers accept that some £40m of the £121m cannot be recovered by the Board. The Government is also making a grant of up to £17m to the CEGB to cover the cost of burning extra oil during the dispute and thus bolstering its strategic coal stocks.

Rowntree sells its 23.8% Huntley stake to Nabisco

BY RAY MAUGHAN

ROWNTREE MACKINTOSH, the confectionery group, abandoned its £76m pursuit of Huntley and Palmer Foods yesterday when it sold its 23.8 per cent holding in the biscuit manufacturer to its potential rival bidder, Nabisco Brands of New York.

Redpath Dorman Long

Continued from Page 1

The Office of Fair Trading is carrying out what it calls a "matter of course" investigation of the sale. Such studies are routine in sales involving companies with assets of more than £15m and with more than 25 per cent of the market in which they operate.

Unions

Continued from Page 1

pation will be made at the Congress in September—if not before. A move by a minority of General Council members to get the TUC out was defeated earlier this year, but the current remains strong.

Weather

UK TODAY SOME SUNSHINE, rain spreading South. London, S. England, S. Wales Mostly dry, sunny intervals. Max 12C (54F).

British Gas seeks LNG from Qatar

BY RAY DAFTER, ENERGY EDITOR

BRITISH Gas Corporation has staked a claim to buy supplies from Qatar's North Field, one of the world's biggest natural gas reservoirs. The corporation has begun discussing with Qatari officials the possibility of buying substantial quantities of liquefied natural gas (LNG) in the 1990s.

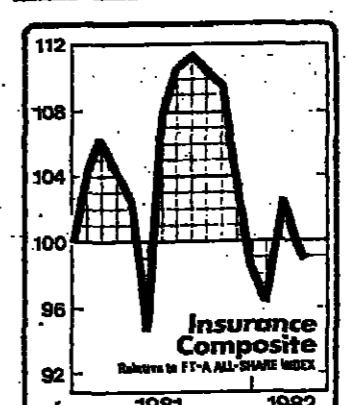
secondment to the corporation's petroleum purchasing division. According to Qatar General Petroleum Corporation, proven reserves in the North Field amount to some 100-120 trillion (million, million) cu ft. Probable reserves are estimated to be 300 trillion cu ft.

THE LEX COLUMN

Chinese boxes in Hong Kong

The markets recovered their poise yesterday in time for the long Easter weekend. Monday's scores over war and the possible fall of the Government were defused by talk of a negotiated settlement of the Falklands crisis, and sterling made an important recovery to the 90 level in terms of the trade-weighted index.

Index rose 8.3 to 561.3



pany that the U.S. chemical trading operation and the new sugar trading business are seen to go well. The heavy years between 1976 and 1978, when cocoa prices and with them merchanting and processing profits went through the roof, are now seen as the past. So profits growth for a soft commodity merchant may be hard to find.

Jardine/HK Land

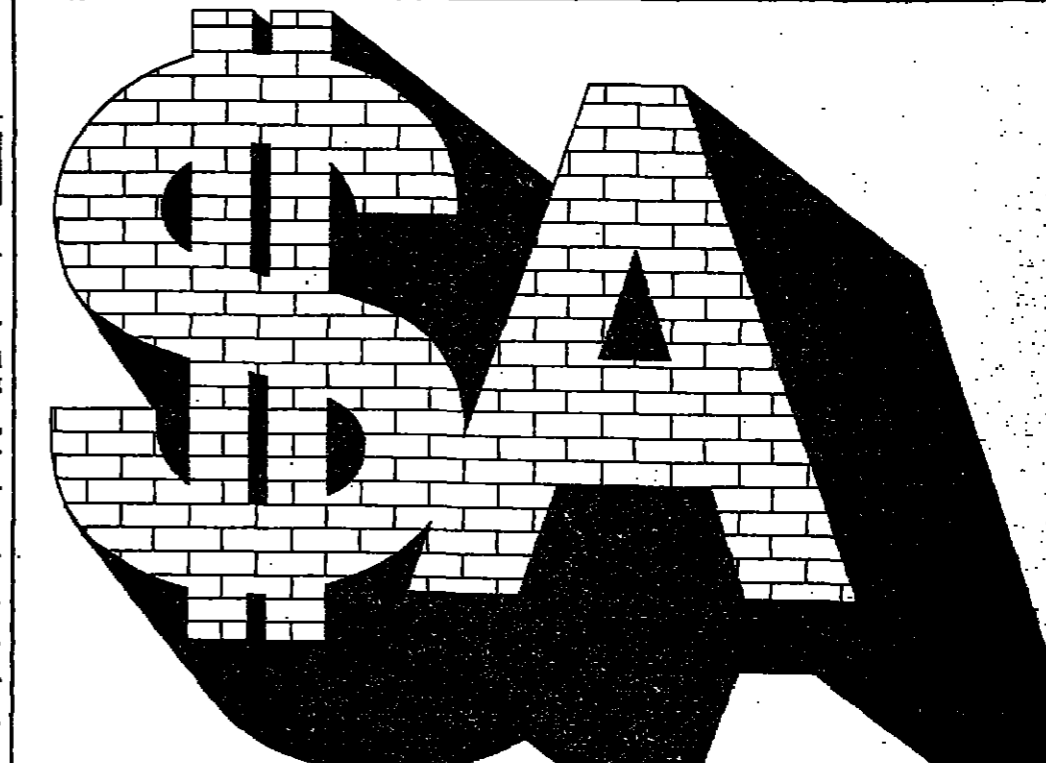
From now on investors in either Hong Kong Land or Jardine Matheson will need to steel themselves to tackle the arcane accounting rules of the "Bogie method." This has been the route chosen to equity account for the two groups' substantial cross shareholdings.

Gill and Durus

After two attempts at revising its October £20m forecast, Gill and Durus managed to avoid further shocks yesterday when it reported pre-tax profits for 1981 down from £23.1m at £12.8m. This falls with some precision within the £12m to £13.5m band foreshadowed in February.

Weather

UK TODAY SOME SUNSHINE, rain spreading South. London, S. England, S. Wales Mostly dry, sunny intervals. Max 12C (54F).



OBJECTIVE: Maximise return/Minimise risk on \$A transactions

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London: 80 Abchurch Lane EC4A 3DF. Tel: 01-600 1822. Telex: 588286. New York: 100 Broadway NY 10038. Tel: 212-869-3300. Hong Kong: 100 Queen's Road Central. Tel: 2611-1111. Telex: 588286.